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France Offers

**More Troops** 

## In Beijing, the Business Of the Party Is Business

## Everybody's Out to Make Money

By Nicholas D. Kristof New York Times Service

BELIING - If anyone in China still believes in communism, it should be Bo Yibo.
That was why the editors of an imorthodox political book turned to Mr. Bo, a crusty 84year-old who is one of the most powerful leaders in China, to write an inscription on the nameplate. They thought his calligraphy would save the book from being banned.

Mr. Be did not bother to read the manuscript. But his wife, who was handling negoti-ations, said an inscription would be possible — in exchange for \$100.

These days, Mr. Bo is not the only good communist dabbling in capitalism. More and

Red banners with Communist phrases may be part of the Chinese decor, but they are not taken particularly seriously.

more, the business of the Communist Party is

While political parties and government ministries in the West shy away from com-merce, virtually the entire Chinese government seems to be starting corporate subsidiaries, investing in hotels, or setting up shops.

The police are selling cattle prods; the intelligence agency is running a bakery; the statistics bureau is charging \$25 for each question it answers; the city of Shanghai is demanding fees from visiting journalists, and the army is operating one of Beijing's finest

"Everybody's ont to make money," a government researcher said. "It's an obsess The Chinese Women's Federation, an official organization that is supposed to protect women and promote communism, operates a hotel in Guangzhou that was a particular money-spinner. A couple of weeks ago, the police found out why: dozens of young women were kneading flesh in the massage parlor or escorting men in the bar.

Prostitution is widespread in southern Chi-

na, but this case raised eyebrows because the hotel, in an effort to differentiate its product, had imported eight Russian women to work as "masseuses." The army showed a similar entreprenential flair a couple of years ago,

when a military-run travel agency turned out to be running a brothel on the side.

The scramble to make money reflects the

quasi-capitalist reality underneath the bar-rage of communist slogans. Red banners with communist phrases may be part of the Chinese decor, but they are not taken particularly seriously by the inhabitants or even the

The rise of market forces explains the emergence of a small clique of "brokers" who arrange inscriptions — for a fee — by party leaders like Mr. Bo. Usually, these inscriptions adorn books or the entrances to shops

"An inscription from a deputy prime min-ister runs about 5,000 yuan," or almost \$1,000, said a Chinese businessman who has been contemplating buying one. "For a big company, that's nothing.

Dai Qing, a writer, complained that officials were not even embarrassed about moncy-grabbing these days.

"It's gotten to the point that the only people who don't do it are the dumbos," Ms. Dai said. "People are transforming power into a commodity for sale."

Even the citadels of party orthodoxy ar-trying to earn a bit of cash.

The Central Party School, for example, emporarily operated a fruit stand in Beijing earlier this year. And this summer it has been peddling a videotape—at \$22, a tidy markup—of a confidential speech in which a Politburo member mocks the hard-liners.

The Ministry of Public Security, which runs the nation's police forces, operates two stores in Beijing selling bulletproof vests, walkie-talkies, four kinds of handcuffs and six kinds of electric cattle prods. A saleswoman cheerfully demonstrated a cattle prod, sending sparks flying, but said a letter of introduction was necessary to buy one.

The quasi-capitalist fervor in the party has increased since Deng Xiaoping, the senior leader, began a campaign early this year to deepen economic reforms.

"Ever since Old Deng called on people to liberate their thinking," there's been just one test of whether an official has done so," a journalist said. "That's whether be's turning a profit in his ministry."

The army, which has always done well selling weapons around the world, is trying to turn a profit in contraditional fields as well. The Army General Staff Department is part-owner of the Palace Hotel, arguably the See CHINA, Page 2

Residents of the squatter camp of Ivory Park, near Johannesburg, pointing at a police vehicle they accused of taking part in an attack Friday in which four persons were killed. Other witnesses said the violence had been part of gang warfare between rival taxi companies.

## In New South Africa, Old Habits Linger

By David B. Ottaway

Washington Past Service
JOHANNESBURG — Even in the new South Africa, change seems exceedingly slow

Real change, in fact, has often been a chimera. The legal pillars of apartheid have tumbled one by ooe. But many of apartheid's structures and practices are still alive, deeply rooted in this racially taut society.

"The Great Imagining" of Johnny Clegg,
the white South African pop singer, has not
taken place. Whites and blacks have oot

joined hands to build the multiracial oew South Africa he evoked.

"Assimilation is not what's oo the minds of whites," said one Western diplomat. "They are going back into their old enclaves." South Africa's most astute white leader ever, started out in February 1990 to shift the course of the old apartheid state radically.

**NEWS ANALYSIS** His goal was to end South Africa's status as a

pariah nation,
At a hreathtaking pace, Mr. de Klerk lifted
the ban on anti-apartheid groups and a state
of emergency; be freed Nelson Mandela, the ANC leader, and thousands of other political prisocers, and he plunged into oegotiations with black leaders whose names the local press had been forbiograph to publish for 30

years, Mr. de Klerk scrapped the Land Acts that -1-

had turned 87 percent of the country's land into a white preserve. He canceled the Group Areas Act that had scaled whites, blacks, Indians and people of mixed race into sepa-rate worlds. And he ended the system of classifying all South Africans according to

Anti-apartheid groups were allowed to hold marches and rallies, call for the white government's overthrow and insult authori-ties freely. Blacks were permitted to engage in protest politics, if not yet to vote, without lear of being thrown into jail as communist sub-

Finally, in March, Mr. de Klerk overwhelmingly won an all-white referendum en-See CHANGE, Page 5

# To Back Up Bosnia Aid

#### But Allies Are Cautious And Choose to Wait for EC-UN Talks on Crisis

By Alan Riding New York Times Service

PARIS — France offered on Friday to send 1,100 more soldiers to help protect relief mis-sions in Bosnia-Herzegovina, but its NATO sons in Bosha-riezegovina, but it a plan to ensure that food and medical supplies reach the besieged inhabitants of the former Yugoslav republic.

France, which has assigned 2,700 troops to a peacekeeping force already in the former Yugo-slavia, said it was responding to the United Nations Security Council resolution, approved Thursday, that calls for the use of "all measures necessary," including force to deliver humaninecessary," including force, to deliver humani-tarian aid to Bosnia-Herzegovina.

But most other Western governments, reluctant to assume even a peacekeeping role in the conflict, have chosen to await the outcome of a European Community-United Nations peace conference on Yugoslavia, to be held in London

Aug. 26-28, before deciding how they will act.
In Geneva, the United Nations Human
Rights Commission wound up a two-day emergency session by appointing Poland's former
prime minister, Tadeusz Mazowiecki, to carry ont an investigation of atrocities in former Yugoslavia, including deportations of civilians in the name of "ethnic cleansing." (Page 5)

In Brussels, North Atlantic Treaty Organization ambassadors received a report from the alliance's military staff suggesting that a "heavy operation" involving 100,000 soldiers would be needed to safeguard relief missions. A new report on options involving fewer troops was ordered for delivery by Aug. 24,

"What we are doing now is to seriously consider the options," NATO's secretary-general, Manfred Worner, said after the meeting. adding that unanimous approval by all 16 members would be occided to involve the alliance in Bosnia. NATO officials said this was unlikely to be forthcoming.

In Rome on Thursday, the Western European Union, a nine-nation defense pact, gave its experts the same Aug. 24 deadline to prepare a similar report. Among the group's members, other than France, only Denmark, Belgium and the Netherlands have hinted that they might

See NATO, Page 5

By Melissa Healy

Los Angeles Times Service

warned that Iraq appears poised to launch a

new offensive against Shitte civilians and insur-gent forces in southern Iraq, and they said Washington might take military steps to stop

Officials at the State and Defense departments on Thursday reported a steep rise in Iraqi air activity in the south and a steady increase in

the concentration of tanks, troops and weapons

WASHINGTON - American officials have

## Maastricht, Polls, and the Thin Gauloise

SEOUL STUDENTS BATTLE POLICE - A captured riot policeman being carried away by students at Chungang University in

Second during angry unification-rally clashes on Friday. Students stripped captured policemen of their equipment and let them flee.

By Barry James onal Herald Tribune

PARIS — The fat and pungent Gauloise cigarette, as Gallic a cliché for the last 80 years as baguettes and berets, recently came ont in a slimmed-down, low-tar form that corresponds - according to a label on the pack - to European rules on tobacco sales.

Political sources here said the state tobacco monopoly's decision to issue the new packs enraged the Minister for European Affairs, Elisabeth Guigou. With a crucial referendum on

European union scheduled Sept. 20, they said it has given some people the impression that the country is being robbed of a patriotic emblem by faceless bureaucrats in Brussels.

"When things go right, the government takes the credit," said a European Community offi-cial in Brussels. "When things go wrong, we get

Brussels actually did order a reduction in tar levels from Jan. 1, 1993, in line with recommendations by the World Health Organization. But the decision to make the cigarettes thinner was

the French tobacco monopoly's, part of a marketing plan to give the cigarettes an international look.

Such misperceptions, according to some analysis, could persuade French voters to follow the Danes in rejecting the Masstricht treaty in the referendum out of exasperation with distant officialdom telling them what to do. Even though the EC would contioue on the basis of the founding Treaty of Rome, rejection would

See FRANCE, Page 5

## Baker's Racing to Rescue: U.S. Fears Iraq Harder Now Than in '88

Bỹ R. W. Apple Jr.

New York Times Service
WASHINGTON — James A. Baker 3d is a formidable political operator, and he should have no trouble in imposing order upon the disarray that be inherits as impresario of Presi-

dent George Bush's re-election campaign. He has Mr. Bush's ear, and he tells him what he thinks in an uninhibited, fraternal way. His oew role will do wonders for Republican morale in the days ahead. But Mr. Baker is subject to the same limita-

tions as all campaign managers. A shrewd tactician can give an edge to a candidate, but at the presidential level he cannot do the candidate's job, nor can he often change the direction the political winds blow. James A. Farley in the 1930s and Lawrence F. O'Brien in the 1960s were considered master

manipulators, but their candidates, Franklin D. Roosevelt and John F. Kennedy, were their own biggest electoral assets.

Mr. Farley, Mr. O'Brien and Svengali together could not have elected Adlai E. Stevenson or Barry Goldwater or Michael S. Dukakis. It is Mr. Bush, not Mr. Baker, who must be

the medium for whatever message the new chief of staff may come up with; it is he who must make the speeches, he who must debate the Democratic nominee, Bill Clinton, and he who will be pictured in the television advertising. What message, and what means of delivering it, will convert the president from a symbol of what has gone wrong to a symbol for its cure?

Mr. Baker will give it a good try. He provided a clue to his strategy when he said in his farewell remarks at the State Department that Mr. Bush had been obliged to concentrate oo foreign policy in his first term because of a momentous series of upheavals in the world, but was now ready to turn to the domestic concerns that preoccupy Americans.

But Mr. Bush has been trying to sell that line since the New Hampshire primary this year, when he traveled to that economically squeezed

Plans Offensive state and told voters fired of foreign policy Against Shittes speeches, "Message: We care."

Representative Vin Weber of Minnesota, a leader among his party's conservatives, was as happy as any other Republican to hear that Mr. was taking over. He warned, though, that there's oo magic bullet, oo miracle to be

worked" in the campaign.
It will be harder this time than it was in 1988, when Mr. Baker stepped in to rescue Mr. Bush at the nadir of another presidential campaign. Four years ago, Mr. Bush, however indifferent a campaigner he had proven, was the heir-

#### **NEWS ANALYSIS**

apparent to an immensely popular president, the economy was booming and he had a clean slate on which to write his pledges and portray his virtues. Now he is an unpopular incumbent, well known to the voters, burdened with a limp

Defining the task is simple enough. Almost all senior politicians in both parties agree that the president's biggest problem — bigger than broken promise not to raise taxes, bigger than the recession — has been his failure to articulate a series of goals for the United States in the decades ahead and the means of achiev-As a senator who sees Mr. Bush regularly put

"He haso't yet, at this late date, given the country a reason for voting him a second term, and if he can't do that, then he will not be re-

Mr. Baker's main job is developing such a ressage, setting priorities and finding a way for the president and his party to sell them to a dubious electorate. Yet Mr. Baker has oever been any more expert in the conception of sweeping themes than the president himself. He is the Republicans' supreme pragmatist, ever suspicious of ideology.

There is also the inherent contradiction that

See BAKER, Page 3

#### near Shiite population centers. "They could potentially start in the next few days," said a senior American official. "They have the capability to start a major operation at any time now. They've got all the assets in

the internal repression.

Since late June, American officials added. Iraqi gunships have been strafing villagers as they flee into the marshes near the border in

See IRAQ, Page 5

#### Kiosk

#### **An Iranian Diplomat** Expelled by Britain

LONDON (Reuters) - Britain has ordered the expulsion of an Iranian diplomat in retaliation for Iran's expulsion of a British envoy in Tehran, British officials said Friday.

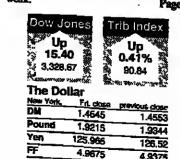
The officials said Iran's charge d'al-

faires was called in to the Foreign Office on Aug. 4 and told that an Iranian diplomat, Ali Rajavi, had three weeks to leave. The expulsion had not previously been made public.

Money Report

German bonds revitalized, and low-cost hutury in England

Business/Finance U.S. industrial output rose 0.4 percent in July, but key areas of manufacturing were



Crossword

Page 6.

## Archaeologists Find Family Tomb of the Man Who Condemned Jesus

By Michael Specter

New York Times Service NEW YORK - Israeli archaeologists have discovered the family tomb of Caiaphas, the Jewish high priest who presided at the trial of Jesus and delivered him to the Romans to be crucified.

Buried in an ancient cave on the outskirts of Jerusalem, the family's bones were sealed in ornate and elaborately carved ossuaries, ceremonial boxes used widely by the Jews of the

Archaeologists say no comparable evidence exists for the remains of any other such major figure of the New Testament, And after 2.000 years, the presence of Caiaphas's bones in the tomb cannot be finally verified either. But the age of the bones, the inscriptions on

the ossuaries and the artifacts that surrounded

them point directly to his influential family.

One of history's most reviled and enigmatic men, Caiaphas has often been portrayed by historians as malevolent, mad for power and blindly eager to please Pontius Pilate, the Roman governor.

The Bible describes Caiaphas' condemnation of Jesus in John 11:49-50: "Ye know nothing at all, nor consider that it is expedient for us that one man should die for the people and that the whole nation perish not."

Like many such discoveries, this one came by accident, when workers widening a road in 1990 stumbled across a large burial site. "I can hardly imagine a more significant discovery from that period," said Bruce Chil-ton, a professor of religion at Bard College in

Annandale, New York. The type of writing, the method of burial, the names used, their location — all those things will bring to light important historical

said Zvi Greenhut, Jerusalem's chief archaeologist. Twelve limestone ossuaries were discovered in the cave, which had a pit in the floor making it tall enough for mourners to stand. As was the custom of the time, the bodies were almost certainly first laid out in a niche of a hurial cave. After the flesh had decomposed.

the bones were gathered and placed in the ossuary, Mr. Greenhut and others say.

One of the ossuaries was decorated with a rare, intricate pattern of rosettes and carried the inscription "Joseph, son of Caiaphas." Joseph was another name of the Jewish high

priest now known as Caiaphas, who ruled in Jerusalem from 18 to 36 A.D. Inside the ossuary were the bones of a 60-year-old man. The writing on the side is the equivalent of surely have lived.

information about the era io which Jesus lived," his nickname," said Ronny Reich of the Israeli he said.

The burial cave was in excellent condition,

Caiaphas was one of the most important high

priests of Israel, largely, historians argue, be-cause of his unusually close relationship with Pontius Pilate.

It was during Caiaphas's reign, the Talmud notes, that the Jewish high court, the Sanhedrin, was removed from the Temple Mount, thus weakening its power. And it was Caiaphas who encouraged money changers and the sell-ers of animals to enter the main court of the Temple, strengthening his control of trade.

Academie debates about Caiaphas's purpose

or role in condemning Jesus and his desire to please the Romans have raged for oearly 2,000 years. Some historians contend that he played only a minor historical role; others suggest that without the decision by Caiaphas, Jesus would In the Gospels, Jesus' expulsion of the ven-dors and money leaders from the temple is a central event. "It is written, My house shall be the house of prayer," Jesus said in Matthew 21:13. "But ye have made it a den of thieves," This may have provided the crucial conflict tween him and Caiaphas.

The denunciation of Jesus by Caiaphas may have been enough by itself to seal Jesus' (ate, according to Mr. Chilton and others. Although it was Pilate who put Jesus to death many historians have directed the blame toward Caiaphas, arguing in effect that the high priest was well-enough liked in Jerusalem to successfully protect Jesus from death.

"Caiaphas surely disliked Jesus," said David Flusser, a professor of religion at Hebrew University who specializes in the study of early Christianity. "He saw in Jesus a danger for the Romans, for the Jews and for his rule." By James Brooke ew York Times Service

MOJI DAS CRUZES, Brazil - Only 50 kilometers east of São Paulo, South America's most populous city, vegetable farms languish abandoned after the Japanese-Brazilian owners departed for greener pastures: factory jobs in Japan.

"Six of my nieces and nephews have gone to Japan." said Izumi Yanai, a doctor in this truckfarming town, coce a rural heartland for São Paulo's Japanese immigrants and their children.

The largest collection of people of Japanese de-scent outside Japan, the l.1 millioo Japanese-Brazilians in Brazil have caught the eye of labor-short

Two years ago, the Japanese government adopted a law that almost automatically grants children and grandchildren of emigrants three-year work visas. At

Six nights a week, a jet lifts off from São Paulo's international airport loaded with Japanese-Brazilians destined for menial but better-paying jobs in Japan's auto parts plants, leather factories and nurs-

Already, some 160,000 Japanese Brazilians work in Japan. Annual remittances are estimated to be around \$2 billion -a major source of foreign capital for Brazil.

The emigration is laden with historical irony. At the turn of the century, wealthy São Paulo coffee growers, distraught over the abolition of slavery, recruited Japanese immigrants to work picking

With their savings, the Japanese immigrants

the Japanese Consulate in São Paulo, the oumber of bought farms of their own, and now Japanese-Brazilvisas issued jumped to 61,500 in 1991 from 8,602 in any are major suppliers of fresh produce for the ians are major suppliers of fresh produce for the domestic market in São Paulo and Rio de Janeiro. The drain in human capital is easily visible in Moji das Cruzes. At Mercado Maeda, a cramped store where soy sauce is sold along with takeout suchi, the

owner bemoans a vanishing clientele. At Bunkio Moji, a Japanese social club, dust covers trophies that speak of old athletic competitions. "It's mostly old people now." Terryo Yanai, the doctor's wife, said of the social club. "The furniture

is filled with termites." Out of town, weeds and bushes creep into fields abandoned by Japanese-Brazilian farmers. Minor Harada, the local agriculture secretary, estimated that the number of Japanese-Brazilian truck farmers in the municipality had dropped by half, from 4,800

The exodus has contributed to a rise in vegetable prices, said Junji Abe, a state deputy who used to be president of the farmers' union.

most ambitious criticens.

About one-third of Brazil's youngest and are college graduates. Since the 1970s, Japanese-Brazilians have consistently scored at the top of classes at the elite \$80 Paulo University.

With only dirty and dangerous work available in Japan, it is not rare to find Brazilians trained as accountants, engineers, bank officers and biologists torling on assembly lines.

toiling on assembly lines.

College graduates, if they can find a job in Brazil, rarely make starting salaries above \$12,000 a year. On a Japanese assembly line, they can earn three

## Kabul Says On Capital Is Repulsed

"But we will guarantee their safety." General Khan said.
Mr. Hekmatyar's rebels closed Kabul's combined civilian and military airport, accasing the militia commander, General Rashid Dostam, of using it to reinforce his troops in Kabul from his headquar-

closed only to civilian traffic.

No one seemed to know whether the hill in fighting Priday was linked to an offer Thursday by Mr. Hekmatyar of a cease-fire long enough to evacuate diplomats from

Mr. Hekmatyar's cease-fire offer included several hanh precondi-tions, which Defense Ministry officials rejected.

nic Party the militia from Kabul and estab-

their coupty shelves as markets opened for the first time since Monday, when Mr. Hekmatyar launched his assent.

# Rebel Drive

After more than a week of rocket fire, the capital was quiet Friday. But the fighting killed and injured hundreds of people and left no wa-ter or electricity and meager medi-

General Khan said the airport in the northern Afghan city of Mazar-i-Sharif was accepting internation-al flights flying in aid or evacuating foreign diplomats stranded in Ka-

miles) to the airport by land.

ters in Mazar-i-Sharif.

"Military planes are taking off

pared to make another bid for the

Mr. Khan said the Kabul airport

Frightened Kabul residents. meanwhile, scrambled to restock A scandal is said to have broken out recently when several State Security corployees set up a Taiwan-

ist leader, Gulbudddin Hekmatyar. But General Majid Khan, a member of a commando-style militia reviled by Mr. Hekmatyar, said he expected another round of fighting as Mr. Hekmatyar's forces pre-

capital.
"He will try again," General
Khan said. "But we won't let him."

Evacuated diplomats would have to travel the 300 kilometers (180

gularly," he said.

He offered a cease-fire if the Is-

hished a so-called independent se-. In any case, some communist carrity force.

Government sources say at least and then threatened to arrest him until he paid \$40,000.

To justify the flowering of quasicapitalism, officials explain that it is included the communists in April.

#### Italy Bans All Shipping "The best way to prevent social- In Island Prison Waters

ROME — The Italian government has banned all shipping from the vicinity of the prison island of Pianosa, where hundreds of Mafia gangsters were locked up last month. The precautions apparently reflect concern that the Maña might try to free some of Pianosa's

MAGDEBURG, Comment of the Course bus his a stalled track on an autobahn early Friday, killing 6 ship within a muse coast. Anyone caught fishing near said. The bus hit the truck near the island, off the Tuscan coast, Magdeburg and was then struck from behind by another truck.

Fastbound lanes of the A-2 autobase of the A-2 au

# KABUL — Afghanistan's Islam-ic government said Friday it had repulsed an assault on the capital-by rebels loyal to the fundamental-

HANOI (AFP) — Vietnam on Friday condemned Radio Moscow's decision to give air time to an anti-Communist Vietnamese opposition The Foreign Ministry accused Radio Irina of beaming "subversive" programs to Vietnam and said Radio Moscow's decision harmed under-

Vietnam Assails Russia Over Radio

WORLD BRIEFS

2 German Neo-Nazi Rallies Banned

**UN Readies Relief Plan for Somalia** 

NAIROBI (Reuters) - A United Nations technical team drawing up

emergency relief plans for Somalia spent its final working day in the

country Friday as the world body prepared to send troops to protect aid shipments. Aid sources contacted in Mogadishn said the 31-member team had arrived in the Somali capital to complete a nine-day survey of ways of easing starvation and bloodletting.

The team, they added, had met the self-styled president, Ali Mahdi
Mohammed, whose lead with a rival warlord, General Mohammed Farah

Aidid, pushed Somalia to the edge of disintegration before the UN

brokered a shaky cease-fire a few months ago.

U.S. planes are expected to fly 500 Pakistani troops into Mogadishu as soon as possible to hold the port and get food to the starving, after the

UN special representative, Mohammed Sahnoun, signed an agreement with General Farrah Aidid on Wednesday.

BERLIN (Reuters) — Two towns in Eastern Germany have banned neo-Nazi rallies that were scheduled for Saturday, fearing that they could

nding and relations between Russia and Vietnam. According to press reports, the radio — which belongs to a U.S.-based movement called the Renaissance Organization — has been broadcasting to Vietnam since July. The former Soviet Union was for decades Vietnam's principal partner and ally.

#### Falangists to Boycott Lebanon Vote

REIRUT (Reuters) — The Falangist Party said on Friday it was joining other Christian groups in boycotting Lebanon's first general elections in 20 years until after a Syrian troop withdrawal from Beirut and

The decision, announced by George Saddeh, the party leader, dealt a blow to the Syrian-backed government of President Elias Hrawi. Mr. Saddeh said the party would pursue its efforts to convince the government that the election, scheduled to start on Aug. 23, should be post-

The other Christian groups that have decided to boycott the vote are the Lebanese Forces, followers of the exiled general, Michel Aoun; the National Liberal Party, and the National Bloc. The groups say that an election under Syrian control would ensure the success of candidates loyal to Damascus, which already orchestrates: Lebanon's political, military and foreign prolitical under a tractical ensure the succession. tary and foreign policies under a treaty of cooperation.

#### North Korean May Attend Summit

TOKYO (UPI) — Kim Jong II, heir-apparent to President Kim II Sung of North Korea, may attend a summit meeting of the Nonaligned Movement in Indonesia starting Sept. 1, a leading Japanese economic newspaper reported Friday.

Conference sources in Jakarta told the Nihon Keizai Shimbun that

Kim Jong Il would appear at the meeting in his father's place in what would be his first visit to a non-Communist country. He so far has only

The succession question in impoverished and reclusive North Kores has been the focus of speculation since Kim II Sung turned 80 last April. While the elder Kim remains head of state and general secretary of the ruling Workers' Party, he has passed on to his 50-year-old son the conduct of everyday affairs of state and the title of supreme commander of the million-strong Korean People's Army.

#### For the Record

The former East German prime minister, Willi Stoph, 78, has been released from pre-trial confinement for health reasons, the Berlin Justice Ministry said Friday. He has been imprisoned in Berlin since May last year charged with responsibility for shoot-to-kill orders given to the police to keep East Germans from fleeing to the West. (AP)
Japan's population was 123.6 million in March, up 0.35 percent from a
year carlier, the Home Affairs Ministry said Friday. (Reuters)

#### TRAVEL UPDATE

About 300 passengers and crew were evacuated Friday from a Norwegian cruise ship, the Scaborne Spirit, after a fire broke out as the ship was off the north Italian coast. No one was injured, and a skeletoo crew was to sait the vessel to Genoa for repairs, officials said.

(Reuters)

According to Spirits of the Pressian airline said.

(AFP)

Moscow on Sunday, officials of the Russian airline said.

Moscow on Sunday, officials of the Russian airline said.

Air traffic controllers across Russia will begin a strike Saturday, their Straffic controllers across Russia will begin a strike Saturday, their Straffic Controllers across Russia will begin a strike Saturday their Straffic Controllers across Russia will begin a strike Saturday their Straffic Controllers across Russia will begin a strike Saturday their Straffic Controllers across Russia will begin a strike Saturday their Straffic Controllers across Russia will begin a strike Saturday. union leader said Friday. They are demanding a pay increase and a single state committee responsible for air traffic control.

# The Weather

North America

Typhoon Kern may run into southern Japan, perhaps including Tokyo, Sunday and Monday Showers and thunderstorms, with his Mani-

Today

\*\*Today\*\*

\*\*To CF CF CF CF CF CF THE 2760 PG 33/61 2780 PG 33/61 2780 PG 27/62 PG 32/62 PG 27/73 PG 28/82 PG Buenos Aires 18:66 9/48 pc 16:61 5:41 c Ceraces 29:78 19:69 pc 25:94 19:69 pc Lima 17:78 13:55 c 16:54 19:56 pc Montoc City 24:76 12:53 ph 23:73 13:75 pt Rin disJameiro 28:78 17:62 pc 27:70 18:64 pc Bertiago 18:64 643 pc 17:62 47:30 pc

## **Faulty Flaps Cited** In Himalayas Crash

tered a fault while attempting to

The pilot managed to lower the flaps but had approached too close to the runway and asked permis-sion to circle around for another

The report said the captain, ap-proaching the runway from the

south, was cleared to return to the

southwest for a new approach. He retracted his flaps and made a turn

to the right. It made no further

Officials said standard proce-

dure in a missed approach to Kat-

mandu calls for turning to the left, and they were at a loss to explain

why the plane did the opposite.

The aircraft made a 360-degree

direction" until the Ground

turn until it was heading north

again, and "continued in a norther-

Proximity Warning System flashed

"It appears that the crew had just

The aircraft smashed into Talu-

an emergency signal to "pull up," the report said.

initiated a climb when the aircraft hit the mountain," the report said.

kashir Ridge at an altitude of 11,500 feet (about 3,500 meters).

Only five victims have so far been

The Associated Press

(AP, UPI, Reuters)

mention of the wing flaps.

approach, it said.

ugators said Friday that the pilot make the required flap selection of a Thai Airways jetliner strug- prior to landing," the report said. gled with faulty wing flaps before the plane crashed in the Himalavas, killing all 113 people on It was not clear from the initial report by a nine-man commission

KATMANDU, Nepal - loves-

whether pilot error or a mechanical fault was to blame for the disaster July 31 on the flight from Bangkok by the Airbus A310-300. The brief report made no mention of the monsoon rains lashing the airport, which cut visibility

and hid the surrounding moun- li also did noi explain wby the plane overshot the airport, even though the problem with the flaps

apparently was corrected. The findings were based on an analysis of the flight data recorder, or the "black box," and the cockpit voice recorder. Both devices were sent to experts in Canada. Lalit Bikram Shah, the director

general of civil aviation and the

commission's secretary, said the re-port was intended to convey the

facts discovered so far, He cantioned against drawing inferences Flight TG-311, carrying 99 pas-

sengers and 14 crew, "was proceed-

Judge Scolds Ex-CIA Aide for Outbursts Repairs to QE2

The Associated Press BOSTON - The owner of the Queen Elizabeth 2 announced Friran aground, would be out of ser-vice weeks looger than first

Cunard Lines said the ship, which is in drydock in Bostoo after the accident off the Massachusetts coast last week, was more severely damaged than originally believed and would be out of service at least until late September. A Conard spokesman said that in addition to bull damage there was interior

damage to the keel.

minutes prior to the accident Aug. 7. was ordered by the ship's captain. Robin A. Woodall, who was

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ic), Masses Sat. Eving. 6:30 p.m., Sun. 10:00 a.m., 12:00 p.m., 6:30 p.m. 50 avenue Hoche, Paris Sth. Tel.: 42:27:28.56. Metro: Charles de Gaulle - Stalle.

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or 47.75.14.27.

during his perjury trial.

Lamberth demanded.

jury, we all know that."

On Thursday, Mr. George angricting around in this courtroom the secret U.S. arms sales to Iran maintained that hypocrisy in screwing around with me." and the diversion of profits to help ongress and a deceitful prosecution. Mr. George, former head of CIA ly maintained that hypocrisy in Congress and a deceitful prosecutor led to charges that he covered up his knowledge of the Iran-con-

"Everybody was a goddamn grand jury and six counts of perjulypocnite about this thing!" he ry and making false statements. Shouted Thursday during a confrontation with Mr. Gillen in U.S.

He said repeatedly Thursday insisted, "There has to be a discretion on the part of the agency on

frontation with Mr. Gillen in U.S. that he could not remember contion on the part of the agency on District Court. "And now we're sitversations or documents related to what they tell the Congress."

CHINA: The Business of Communism? It's Business (Continued from page 1) most luxurious in China, with its marble staircase, fountain, huge swimming pool and two Rolls-

Royces. style hotel while the Asia Hotel says it is part-owned by the Public Security Ministry — even though some Chinese officials say the real owner is not Public Security, but the much more secretive State Socurity Ministry, which is in charge of spying and counterintelligence. In any case, the spies are dab-

as a bakery and dry cleaners. Some Chinese say State Security spies are trying to enrich themalso owns the highly profitable selves rather than their govern-Foreign Enterprise Service Corp., ment.

which provides Chinese employees to foreign companies operating in The corporation itself insists that

it is owned by the municipality of Beijing but refuses to discuss the background of its new general bling in business when they are not manager, Han Jingmin.

N/TERNATIONAL BAPTIST CHURCH OF HAMBURG meets of TABEA PESTHALLE, An Ishaid 19, Homburg-Ostdort, Bible Study of 11:30 & Worship of 12:30 each Sunday, Tel.: 040/820616. HOLLAND
TRINITY BAPTIST S.S. 9-30, Worship 10-30, nursery, worm fellowship. Meets of Bloemcamptoon 54 in Wossengor. Tel.: 01751-78024. BUDAPEST INTERNATIONAL CHURCH OF BUDAPEST Son. 16:30, Dist. I, Corvin ter 8, Rev. G Howard, tel/fex (36-1) 176-4518.

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COPENAGEN
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Voctor, near Radius, Stor

INTERNATIONAL BAPTET PELLOWSHIP
LL Wyspioneticgo 4 First Sunday end
morth, 600 p.m. Gustov Gesior, coordina
tor, Tel. 33 23 05 + 66 49 32. PAMANUEL BAPTIST, MADEID, Hemondez de Tejodo, 4. English Services 11 c.m. 7 p.m. Tel.: 407-4347 or 302-3017. PRANKGURT TRINITY LUTHERAN CHURCH, Nibelunger Aller 54 (U-Bahn 5), Sunday School 9:30, worship 11 curs. Tel. (069) 599478.

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PARTS end SUBTURE BAMANULE BAPTOST CHURCH, 56 little des Bosts fizielles, Russ-Medimoison, An evengelicol church for the English specifica contract for the English specifical contract for the English spe street tube; Tel; (01) 390 2/71.

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6:30 p.m., 123 ov. de Moine. Mr Gold.
Neor the Tour Montportosses. The evening service of Emerowed Rophist Church. Cal
47.51.29.63 or 47.49,15.29.

WUPPETAL International Raptist Church, English, Ger-men, Persian, Worship 10:30 c.m., Sel-lersh 21, Wuppertal - Eberfeld, Al denom-inations welcome, Hone-Dieter Fraund, pastor, Tel., 0202/4696384. OSLO NITERNATIONAL BAPTIST CHURCH of Wig-densell (Zürich), Switzerlord, Rosenberg-stroste 4. Worship Services Sunday morn-ings 11:00. Tel.: 1-252 6222.

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needs. Whatever the weather, wherever you are.

Meanwhile, at a Coast Guard hearing on the accident, John Hadley, the coastal pilot who was navigating the ship wheo it rao aeround, said the vessel was not

taking the course he had preferred. Mr. Hadley said a course change, worried about shoals in the waters between Cape Cod and Martha's

## To Take Longer Than Expected

day that the ship, damaged when it thought.

defense attorney, "I would have hoped that you would have talked to your client about summary con-

interrupting people was a "bad habit" of Mr. George's and added. "This does not help him before the

## WASHINGTON — A federal judge threatened Clair E. George with contempt proceedings Friday after the former CIA official repeatedly interrupted the prosecutor

Judge Royce C. Lamberth sent the jury from the courtroom after Mr. George interrupted questions by the prosecutor, Craig Gillen. Saying Mr. George had done the same thing several times on Thurs-day despite orders not to, Judge Lamberth told Richard Hibey, the

"Do you want me to tell him or will you tall him how to comply with an order of this court?" Judge

When the jury returned, Mr. George told them, "I regret inter-rupting Mr. Gillen, and I apologize

BONN KOLN

THE INTERNATIONAL BAPTIST CHURCH OF BONN/KOLN, Rhelmau Strasee 9, Köln. Worship 1:00 g.m., Calvin Hogue, Postor, Tel.: (02236) 47021,

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INTERNATIONAL BAPTIST CHURCH, Friedensichte, Bennozente. 15, Cade, SS 12-45, Worthip 14-00. 30 min. Drive, 20 min. By train from Hannover. Wolfding distance from Calle train station. Contact Andy Earl. Tel. 05141-36725.

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+ Sunday-school (0-00, women's carde Hiday 09:30. Housegroups - Sunday +
Wednesday 19:30. Paster M, Lavey, member Sundays the notions."

BETHEL NIERNATIONAL BAPTIST CHURCH,
Am Dochsberg 92, Frankfurt auM, Sunday
worship 11:00 um, and 6:00 p.m., Dr. Thomas
W, Hill, postor, TeLr 069-549:339.

to you for interrupting him."

**RELIGIOUS SERVICES** 

Mr. Hibey told the judge that

defending communism. Knowl- Well-connected Chinese say Mr. lams: government freed his imprishas its own import-export trading job was as deputy head of the State company, Xinghua Corp., as well Security Bureau in Beijing.

BALANCED LOAVES — A bread deliveryman making his rounds in central Cairo on Friday.

ed not guilty to three counts of

obstructing Congress and a federal

overseas spy operations, has plead-contras, at a time Congress had

banned such aid.

Mr. George acknowledged that

ese businessman with a prostitute

is just a temporary expedient to raise living standards and assure

the eventual triumph of Commu-

ism from becoming capitalism," the Anhei Daily News, an official

newspaper, declared last month, "is precisely to bring more capitalist

German Bus Crash Kills 6

Reuters

- MAGDEBURG, Germany — A tourist bus hit a stalled track on an

things here."

THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School — 9.30 c.m. and Church — 10.45 c.m. Kastarburg, 19 (at 8th Int. School). Tel. 673.05.81. Bus 95. Trans 94.

27 Forvergada. Vartov, near Rådhus. Sind 10:15 & Worship 11:30. Jack Hustad, Pasta TeL: 31 62 47 85.

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EV. LUTHERAN CHRICH of Geneva, 20 rue
Verdoine. Sunday worship 9-30. in German
11:00 in English. Tak (022) 310.50.89. LONDON AMERICAN CHURCH in London at 79.
Totlerhor Court Roof, Landon WI, SS et 945 c.m. & workip at 11 c.m. George street subsy Tels (01) 580 2791.

MOSCOW PROTESTANT CHAPLAINCY, UPOK Holl, UL. Unda Palme 5, bidg. 2, S.S. 10 a.m., Worship 11 a.m. Tel., 143-3502.

INTERNATIONAL CHURCH OF PRACUE English worship 11-15, Vigazova 4, Progue S. Sunday School, credity weekly bible study.

VERNA COMMUNETY CHURCH, Sunday worship in english 11:30 A.M., Sunday school, navery, international, all dominations walcome, Darotheegase 16, Vierna 1.

WARSAW INTERNATIONAL CHURCH, Protestat English language acquarietes, Sundays 11:00 a.e. (Sept.-May), 10 am, (Jame-Aug.): 5 onday School 9:55 (Sept-May) U.L. Micclawa 21. Tul. 43-29-70.

ZIBBCH

# ZINSCH PITERNATIONAL PROTESTANT CHURCH English specifing, worfiship service, Sunday School & Nuzery, Sunday 11:30 cus., School & Nuzery, Sunday 11:30 cus., حكدًا من المرحل

From the Hustings

Mr. Clinton said. He said he would

accomplish this goal in part by forcing American allies to share

more of the burden for maintaining peacekeeping forces in Europe and

"In Bosnia, Somalia, Cambodia

promise as never before, and the UN deserves full and appropriate contributions from all the major

powers. It is time for our friends to

his plans to revive the economy would be his "first foreign policy

Mr. Clinton stressed the link be-

Mr. Bush, he said, "abdicated

leadership" on global environmen-tal issues at the Earth Summit in

Rio de Janeiro in June, has tried to "prop up yesterday's status quo" and has allowed a debt-laden econ-

omy to become his administra-

tion's "most glaring foreign policy

"In a world of change, security

flows from initiative, not from iner-na," Mr. Clinton said, His remarks

seemed designed to be a pointed

response in Secretary of State James A. Baker 3d's asserting

Thursday that the Bush adminis-

tration had scored impressive for-

"The notion that the Republi-

cans won the Cold War reminds me

of the rooster who took credit for the dawn," be said. "We must never

forget that in the end, communism

rotted from the inside out, with

heroes both famous and unknown

Mr. Chaton particularly faulted

the White House for being slow to

come to the aid of supporters of

democracy in China, tardy in rec-

"From the Baltics to Beijing, from Sarajevo to South Africa

time after time, this president has

sided with the status quo instead of

democratic change, with familiar

the old geography of repression

eign policy victories.

leading the way."

tween a robust American economy and strength abroad, saying that "foreign and domestic policy are now two sides of the same coun."

bear more of the burden." The Arkansas governor said that

elsewhere.

priority."

The Matter of Debates is Hearly Settled

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WASHINGTON — A bipartisan group headed by former chairmen of both major parties has proposed a schedule for three presidential debates.

The Commission on Presidential Debates said the first debate should be Sept. 22 at Michigan State University in East Lansing, the second on Oct. 4 at the University of San Diego and the third Oct. 15

at the University of Richmond in Virginia.

The commission also proposed a single vice-presidential debate for Sept. 29 in Louisville, Kentucky. All debates would be held in the evening and would last 90 minutes.

So far only the Clinton-Gore campaign has agreed to the proposals. The commission co-chairmen Paul G. Kirk Jr., a former Democratic national chairman, and Frank J. Fahrenkopf Jr., a former Republican national chairman, said they expected to hear from the Bush-Quayle campaign at the end of the Republican convention

#### Bush's Health Not an Issue, His Doctor Says

WASHINGTON — President George Bush's personal physician says Mr. Bush is in excellent health and has shown the effects of age

less than many other presidents during their first terms.

A year ago Mr. Bush said that only a change in his health would deter him from running for a second term. At the time, he was

deter him from running for a second term. At the time, he was recovering from treatment for an overactive thyroid brought on by Graves' disease, and he seemed politically invincible.

Bot now Mr. Bush, 68, trails badly in polls. Runnors swirl that he is in poor health, although the White House and his personal physician, Burton J. Lee 3d, have repeatedly described the president's health as excellent. Even though presidential illnesses have often been dissembled in the past, there is no specific reason for doubting Dr. Lee's evaluation, and Dr. Lee has vowed to quit rather than participate in any cover-up. participate in any cover-up.

"The gry is not sick," Dr. Lee said. Mr. Bush understandably is under stress, he said, "taking a tremendous beating in the press" during the campaign. Dr. Lee described the president as handling the tension "amazingly well."

#### Republicans' Torment May Make for Good TV

WASHINGTON — Earlier this summer, executives of major television networks figured that the Republican convention would he such a yawner that they were thinking of keeping their anchor reporters stationed in New York.

But with President Bush fighting for his political life, the networks have reassessed and are sending full reporting contingents to Houston, where the convention begins Monday. In a reminder of the glory days of network convention coverage, CBS, NBC, ABC and CNN have set up three-story anchor booths in the Astrodome. Such booths were too big for Madison Square Garden, where the Democratic recovering was the delegated and convention of the convention were the delegated and convention of the convention were the delegated and convention of the convention was the delegated and convention of the conventi convention was held last month.

The networks are planning to devote at least as much time to the Republicans as they did to the Democrats, and some network officials predict that the Houston event may make better television. "People who were prepared to write off the convention in April, May and June had to have second thoughts in saying that these conventions are dinosaurs," said Lane Venardos, director of special

events for CBS News. As Jeff Grainick, executive producer of the ABC News convention report, put it: "This is the first Republican convention in the last 12 years where you're going to find a delegate body that has concerns about the coming election, concerns about the candidate and concerns about the ticket. I have not heard the phrase, This is a fight for the party's heart and soul, since 1964; so there's a pretty good story



Governor Bill Clinton, the Democratic Party's nominee, making a point during a campaign speech.

#### Republicans Plan 'Stormy' Month in Texas

DALLAS - Republican strategists pian a 30-day attack against Bill Clinton, dubbed "September Storm," in a bid to ensure that President George Bush wins Texas, according to a Dallas newspaper.

The Dallas Morning News said a blitz of TV and radio ads and direct mail will paint Mr. Clinton as an extremist on social values

and a supporter of gay rights and gun control. The anti-Clinton foray, detailed in a private Republican memo, is designed in part to shore up the president's support in the Dallas-Fort Worth area, where polls show him lagging, and at preventing Mr. Clinton from currying rural east Texas.

#### Quote-Unquote

Marilyn Quayle on the jokes about her husband. Vice President Dan Quayle: "I think there's a lot invested in pillorying the vice president now. It's easy for the comedians to pull up a joke, and they all feed each other. It's all ratings and numbers, and everybody helps the other out and I think there's also a political agenda there." (IHT)

#### **Away From the Hustings**

 The derailment of an Amtrak train in Newport News, Virginia, was caused by a rail switch that had been vandalized, federal investigators said. The derailment injured 74 passengers, four seriously. • George C. Wallace, 72, the former Alabama governor and presi-

dential candidate, was in stable condition at a Birmingham, Alabama, hospital as doctors treated him for chronic pain he has suffered since a 1972 assassination attempt left him paralyzed from

• A request to shut down 37 nuclear power plants designed by the General Electric Company has been rejected by the Nuclear Regulatory Commission. An anti-nuclear power group that requested the shutdowns had said the plants were equipped with devices that could give faulty coolant level readings.

 The writer James A. Michener and his wife, Mari, have given the University of Texas \$15 million to further endow the program of the Texas Center for Writers, the university announced.

• A federal appeals court refused to order the state of California to continue payments to doctors, nursing homes and other providers of health care for the poor in the absence of a state budget.

 Congress is one of the biggest waste-paper mills in Washington, each day generating as much as 20 tons of trash, mostly paper. That amounts to three pounds per employee daily, more than twice the national average. • The chairman of South Carolina's alcohol licensing board and

three other officials have been indicted on corruption charges, including taking free liquor from companies that the commission regulates

• Farm workers may soon have greater protection against exposure to harsh pesticides through new government regulations requiring that workers be warned not to enter newly sprayed fields.

• A federal judge ruled that John W. Hinckley Jr. is liable for damages to three men wounded in his 1981 assassination attempt on President Parel 1981 assassination attempt on damages to three men wounded in his 1981 assassination attempt of President Ronald Reagan. A former presidential press secretary, James Brady, and two security officers filed suit against Mr. Kinck-lev in 1982. The jindge said a trial most be held to determine how the hard the limit lev bases.

WP. NYT. AP. UPI much Mr. Hinckley owes.



Barbara Bush in Washington, reacting to questions about allegations her husband had an affair with an aide, called the suggestions a lie.

## Abortion Plank Wrong, Mrs. Bush Says

By Alessandra Stanley

New York Times Service WASHINGTON - Days after Republicans finished work on a platform plank that takes an mcompromising anti-abortion stance, Barbara Bush says she does not believe that the issue has any place in the party's platform.
[That is not what President George Bush

feels, his spokesman, Marlin Frizwater, said

["Mrs. Bush has her own attitudes about this," Mr. Fitzwater said. But he added that Mr. Bush liked what the platform committee came up with and supported its position.] "I'm not being ontspoken or pro or con abortion," Mrs. Bush said in an interview with

news magazine reporters. "I'm saying abortion should not be in there, either pro or con." The first lady said Wednesday that abortion was a "personal thing," and added, "The personal things should be left out of, in my opin-

ion, platforms and conventions." In another peppery session with reporters, this one Thirsday, the first lady criticized the Republican Party chairman, Richard N. Bond, for attacking Hillary Clinton, blamed the press for the "ugly" personal tone of the 1992 cam-paign, and made a point of mentioning Gover-

nor Bill Chinton's private life. "He never denied he had a fling, did he?" she Mrs. Bush's comments on abortion came

the Republican Party struggles to retain the loyalty of its conservative wing without alienating voters who favor abortion rights. The platform that will be approved at the party's con-

By E. J. Dionne Jr. Washington Past Service
HOUSTON — The Republican platform

committee has ratified a stoutly conservative

statement of principles, but party leaders sent conflicting signals about the document.

The platform committee passed a separate resolution acknowledging "houest differences of opinion" within the party on many issues, including abortion.

The resolution was accepted by abortion

focs, who were pleased that no compromise

constitutional amendment banning abortions tials as a wife and mother, using her legal

President George Bush struck a more compromising tone in a broadcast interview Tues-day, when he said he would stand by a granddaughter who chose to have an abortion.

Mrs. Bush's view, expressed in one of a series

of interviews she granted before the conven-

tion, marks a sharp break with her practice of not speaking out on policy matters.

Mrs. Bush has declined to state her own views on abortion for years, but her friends say she privately favors abortion rights. Her comments about the platform could have been

intended as a signal to pro-choice Republicans that they have a sympathetic car in the White By expressing compassion for homosexuals, unwed mothers and people with AIDS, Mrs. Bush has won praise from groups that find fault

with her husband. But in the interviews this week, the first lady that most voters know only as a kindly, snowy-haired grandmother showed the steely side of her nature that she has mostly kept hidden since her ill-tated quip about the Democratic vice-presidential candidate Geraldine Ferraro ("a word I can't say, but it rhymes with rich,")

in the 1984 presidential campaign. Mrs. Bush called recent reports raising ques-tions about her husband's private life "disgusting" and "hurtful." -She also aimed a dart at Mr. Bond, one of her

Mr. Bond, the Republican national chair-

points of view on this issue," said Governor John McKernan Jr. of Maine.

writings from the 1970s to suggest she thinks that children should be able to sue their parents

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and that marriage is a form of slavery.

Mrs. Bush said, "I don't like it." when asked about Mr. Bond's critical remarks about Mrs. Clinton's views on children and marriage. "She is not running for office," the first lady added. She said she also had not liked the scruting of Mr. Clinton's personal life during the primaries, but she added that some issues, such as

questions about how he avoided the draft during the Vietnam War, were fair,
"He had a few problems with the draft," she She dismissed questions about her husband's

health, mocking rumors that he would require heart surgery after the election as "nutty." Mrs. Bush insisted her husband was "the strongest man in the world," and then asked in stern tones, "Do you think I would let the person I love more than life run for public office if he needed open heart surgery after the campaign? And, repeating an accusation made hy sever-al Republican campaign aides this week, Mrs.

Bush also accused the press of favoring Mr. Clinton over her husband. When asked why she thought reporters were biased, she replied with a smile that was more cold than coy, "I'll he damned if I know, unless they are just liberals." Mrs. Bush said in the interview that it was voters like her twice as much as they like her

"I don't make any decisions," she said. "I just from that will be approved at the party's convention in Houston next week advocates a man, often disparages Mrs. Clinton's credenfun and try to be helpful."

won everything to be magnanimous," said
Ralph Reed, executive director of the Chriskeep this plank."

Reed. "He got this plank. And he's going to acknowledging diversity of views was inadequate and called the platform an "abomina-

The platform's fiercely conservative

## Clinton Says Bush Has Failed 3 Tests In Foreign Policy

By Gwen Ifill

New York Times Service
LOS ANGELES — Challenging George Bush where he feels strongest, Bill Clinton has pronounced the president's approach to foreign policy flawed because it ignores do-

mestic economic problems,

"There are new tests of leadership," Mr. Clinton said in a speech
promise as never before, and the to the Los Angeles World Affairs Council, setting out a foreign poli-cy agenda for his presidential can-didacy.

"The first is to grasp how the world we live in has changed. The second is to assert a new vision for

our role in this dynamic world. The third is to summon all of our strengths, our economic power, our values and — when necessary our military might in the service of

our new vision.
"I do not believe Mr. Bush has met these tests."

The Democratic nominee has stepped onto foreign policy turf be-fore. But as the Bush administra-tion has challenged him in recent weeks by suggesting that he could not be trusted to handle such serious matters and would be "reckless" in formulating U.S. policy, he has grown more aggressive as well.

He said his administration

would offer inreign aid to emerging democracies, support the peace process in the Middle East, support the creation of a Radio Free Asia and act in concert with other nations in support democratic forces throughout the world.

We will make the United States the catalyst for a collective stand against aggressinn, the action I have urged for some time in response to Serbian aggression in Bosnia, nne with which the Bush administration now agrees after the president's press secretary first called it reckless." Mr. Clinton declared Thursday.

He supports increased financing of some new military technology, including the C-17 aircraft, the V-22 Osprey, which takes off like a helicopter and flies like a conventional plane and the Seawolf subtional plane, and the Seawolf sub-

He also says the United States should be prepared to make in-creased use of National Guard and Reserve forces "so that our use of force will be considered with utmost seriousness, maintained affordably and supported broadly at would overthrow them - and with

In his Los Angeles speech he said that shifting the emphasis to more mobile forces would result in military savings of about \$60 billion about foreign policy, Mr. Clinton more than Mr. Bush has proposed over the next five years.

security and savings comparible,"

quate and called the platform an "abomina-

tion" and "out of sync with the mainstream

nf the party."

Mrs. Stone vowed to seek a floor fight ou

abortion next week when the convention votes on the platform. But this move seemed

Platform writers, meanwhile, have ratified

the final portions of the platform, including

planks on foreign policy. It argues that Mr.

Bush's successes abroad — which loom so small in voters' calculations, according to the

happen between now and Novem-

ber that would make his job easier,

like a major crisis abroad or some

But at the moment this looks as

if it may be one of those years, like 1912, 1932 and 1952, when the tide

runs so strongly against the "ins"

that it is difficult for the most ac-

complished campaign strategists to

divert it.

to have little chance of success.

has been asked how he would be able to handle international con-"My administration will make cerns when his experience has been largely domestic and political. Los Angeles was no exception.

He said he would not relish the prospect of sending citizens into combat, "but neither do I flinch from it." He stressed his support, although it was late in coming, for Mr. Bush's decision to use force in

And he stated categorically that his administration would punish U.S. companies that sold nuclear

technologies to "outlaw states like "The issue on foreign policy is,

how much do you understand about the world, what are your val-ues?" Mr. Clinton said at a news conference before he delivered his "What is your judgment? Do you

have the personal strength to make the right decisions? The two great wars we fought in this century were led by presidents who came to the White House from the governor-

■ Domestic Strength Cited

In an interview with the Los Angeles Times, Mr. Clinton said that the Bush administration had failed to understand that "there isn't the clear dividing line between domestic and foreign policy that there once was." The main lesson, he added, is that "if you're not strong at home, you don't have the power

#### Abortion foes said they were determined to see President George Bush maintain his anti-abortion stance. The president is propolls - should not be dismissed by an eleclanguage was included in the platform. anti-abortion stance. "The president is protives outraged moderates. Ann Stone, of Re"What it does is allow those of us who've life, the president wants this plank," said Mr. publicans for Choice, said the resolution

BAKER: Aide a Formidable Operator, but the Battle Is President Bush's to Win or Lose

But some moderate Republicans used the resolution to say that they bad won something and to send a signal to middle-of-the-road voters. "We have at least demonstrated that there is room in our party for different the stands on a range of social issues — including the family, bomosexuality, AIDS, portugated the party's right, which has been critical information of the stands of the family, bomosexuality, AIDS, portugated the party's right, which has been critical information.

Hard-Liners Prevail on Republican Platform Unit

when even they concede the national craving for change.

Mr. Bush said Thursday of Mr. Baker that "he knows about change, how to distinguish wise moves from foolish ones."

point with partisan acerbity. Mr. Baker will be very hard put, he said. to "give the president a vision transplant."

Mr. Baker's first task is to banish

In the three weeks since the Democratic convention, Mr. Bush in four years. has been unable to make a signifi-By past standards, he should have several grounds.

(Continued from page I)

Now the goal is to do so by Labor

Thursday that the president, by the essentially inseparable nature
faces the incumbents in a year
when count they conside the rest.

Day, which is three weeks away,
when count they conside the rest. and that may prove to he impossible unless the Republican convention and Mr. Bush's speech there are big hits. The convention begins in Houston on Monday. But then, Mr. Bush would not

bave proposed the switch, and Mr. Mickey Kantor, a member of Baker would not have agreed to Mr. Clinton's inner circle, put the make it, unless things were pretty desperate. The secretary of state is moving back two steps in Washington's power game, to the job he held before moving to the Treasury and then on to the State Department, and he is not belying his own prospects of running for president Furthermore, the president has

cant dent in the Democrats' lead. subjected himself to criticism on cut it in half, at least, by this stage. A European ambassador said

"makes it look as if he puts a higher priority on his own survival than on any world problem - Somalia, Bosnia, the Middle East peace talks, the Iraq crisis, you name it."
Mr. Bush's old friend and counsel, C. Boyden Gray, had only re-

cently issued a memorandum arguing that, from an ethical point of view, campaign tasks should not be undertaken by members of the White House staff, which of course is what Mr. Baker plans to do.

Finally, from a purely political perspective, Mr. Bush looks like a halout Mr. Clinton's past. weak leader, a candidate who can find only one man with whom he is

truly comfortable and upon whom

he can rely for advice and support

in extremis That puts Mr. Baker in a strikingly powerful position. Washington is talking of him as a deputy president, and some voters may find that an excessive role for someone nobody voted for.

None of that will matter if Mr.

On September 4th, the IHT will publish a AVIATION

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lons of the State Department,

So the White House spokesman, Marlin Fitzwater, bad to go Baker can turn the campaign through a lot of contortions about around, and many things could

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## Herald Tribune.

## To Stop the Brutality

lage of Zaklopaca on May 16 and massacred at least 83 Muslim Slavs, 11 of them children. Military policemen of the Yugoslav Army disarmed, tortured and executed 15 Muslim Slavs and Croats who were defending the community of Vlasic Plateau. Witnesses told of torture and murder in Serb-run concentration camps.

The Bush administration belatedly backed a resolution approved Thursday by the United Nations Security Council authorizing the use of force, but only to assure that food and medicine reach beleaguered, Bosnia. A strong bipartisan coalition in the Senate understandably wants to do more. It has voted in favor of using force for an equally compelling purpose - to secure immediate access to the death camps.

The UN needs to do the same. Its mem-. bers have a solemn duty under the Genocide Convention "to prevent and to punish" acts intended "to destroy in whole or in part a national group"—in this case the Muslim-Slavs targeted by Serbian killers.

That in turn obliges the United States and the United Nations to use force, if necessary, to seize the camps and spare more people from execution. And it re-

Serbia's war crimes continue to mount in guires the UN to establish a tribunal to Bosnia. Paramilitary forces entered the vilinvestigate and punish Serbian leaders re-

sponsible for crimes against humanity.

Croatian and Muslim forces have also committed atrocities that warrant investigation, but nothing on the scale of Serbia's troops and its paramilitary thugs. Human Rights Watch and other observ-

ers have now gathered sufficient evidence to establish that the Serbian abuses are not isolated, but part of a systematic effort by Serbian authorities to drive non-Serbs from

parts of Bosnia they have conquered.

The first duty of the UN is to prevent more harm. A limited use of force could close the camps and rescue the detainers. The camps are small and isolated, and their guards unlikely to put up much resistance.

Once the brutality is stopped, those re-sponsible need to be brought to justice. A full inquiry by an impartial international 'tribunal is needed to determine whether the Serbian strongman Slobodan Milosevic, his henchman in Bosnia, Radovan Karadzic, and members of Serbian army and paramilitary groups are liable for the crim

The world need not - dare not look on with indifference as innocents

- THE NEW YORK TIMES.

#### Baker to the Rescue?

#### Embarrassing Comfort

James Baker's return to the White House as chief of staff and of the president's reelection campaign — the same thing for the next 11 weeks — is likely to help George Bush. It is a strong move whose starting point is a confession of weakness. It has to embarrass the president and his partisans as much as it comforts them that he is calling

on his friend for help.

Mr. Baker and the president both described his job as helping to develop a second-term agenda. They might have added, a salable agenda. You might think that was the president's job; that is the real embarrassnent. The Baker appointment reflects not just Mr. Bush's sunken poll standing but the seeming lack of ideas and enthusiasm that have helped to produce that rating.

The president's good friend put the best possible gloss on it. If domestic problems are now uppermost in people's minds, well, the president has been busy elsewhere. He "saw a chance to take on the two central problems of our age, the struggle for freedom and the threat of nuclear war, and he seized it," said the departing secretary of state. "No apologies for that, It's time now

#### Enter the First Friend

It is neither surprising nor unsettling that President George Bush has prevailed on James Baker to come back to the White. House and direct his re-election campaign. Jim Baker has starred in one Washington role after another, including campaign poli-tics; given Mr. Bush's dismal present standing, his return seemed inevitable.

Meanwhile, with the appointment of Lawrence Eagleburger as acting secretary of state, the president well serves his own political interests while assuring continuity for foreign policy. Such continuity can advance delicate ongoing negotiations, like those concerning the Middle East. Still, it inspired leadership on issues like aggression and atrocities in the Balkans, reform in Russia or Chinese abuse of human rights.

Even with the departure of Mr. Baker and his top aides from State, the administration's foreign policy team stays largely intact. That team includes the president, his national security adviser, Brent Scowcroft, and, when necessary. Mr. Baker. In his new job the departing secretary of state remains a mem-ber of the National Security Council, and, as always, the president's First Friend

Mr. Eagleburger, who moves up from State's No. 2 job, is one of the most experienced foreign policy hands around. His career has been largely devoted to Europe; he once served as ambassador to Yugoslavia. But he also has wider experience, into turn to new challenges ... And that's exactly what President Bush intends to do." The argument is partly that the president should not be held to full account for the first

term because he was not paying full atten-tion. Maybe that will wash; we doubt it. Mr. Baker was an altogether competent. secretary of state. If not a great conceptualizer, he was as skilled a tactician and negotiator as he has always been in the domestic field. At the White House be can be expected to set out clear lines of communication and command, to have clear goals and to be forceful in achieving them. Sometimes more than forceful; the campaign that he ran for

Mr. Bush in 1988 got pretty seamy at times.
This time the greater question may be not what kind of portrait the Bush campaign can produce of Bill Clinton, but what kind it can produce of George Bush. In equipping Mr. Bush with a philosophy and an agenda on such short notice, Mr. Baker has his work cut out for him. The sales force is new, but the product is not. Mr. Bush was likely to regain some lost standing in the polls in any case, but the Republicans still have the same basic problems as before same ticket, same record, same economy.

- THE WASHINGTON POST.

chiding the Middle East. He is known and respected by foreign leaders and diplomats,

and well liked in Congress.
For years, Mr. Eagleburger worked closely with Henry Kissinger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he shares his inclination toward realpolitik; a cool, stranger, and he could be a cool, stranger, and he cool, stranger, and he could be a cool, stranger, and he cool, and the cool of tegic chess game in which geography can be destiny and internal politics or human rights are secondary concerns.

Pragmatism is a virtue in a dangerous world, but not unmodified. Realpolitik led Mr. Eagleburger to the embarrassment of toasting the butchers of Beijing shortly af-ter the massacre there in 1989. It may have contributed to his early judgment of the Serbian dictator Slobodan Milosevic as a man of his word. It is certainly to Mr. edges his past errors on Yugoslavia. His reputation for candor will serve him well in his new role, as will his obvious intelligence and forcefulness

What is less evident is whether U.S. diplomacy will now do better at responding to the basic values Americans cherish. Compassionate idealism has not been Mr. Eagleburger's strongest suit, any more than

it has been George Bush's. From Sarajevo to Beijing, the limits of realpolitik are becoming painfully plain. Diplomacy needs continuity, but it also occds receptivity to humane values. That is a challenge oot just for Acting Secretary Eagleburger but also for the new chief of staff, Mr. Baker, and for his friend.

-THE NEW YORK TIMES.

#### Other Comment

#### Some Mexican Reservations

The Mexican economy has already been exposed to the rigors of international compe-tition for more than four years. And many businessmen are realizing that under the new North American Free Trade Agreement, very few firms will end up being competitive; a huge number will go under, and the transition to efficient business operations will take much longer than expected.

As long as Mexican imports grow three to four times as fast as exports, and as the trade gap reaches 6 percent of gross domestic product instead of a planned and sustainable 2 percent, there is an undeniable problem. As Luis Rubio, a staunchly pro-treaty commentator, has pointed out the main Mexican exports that are holding up are those that are state-owned or -protected.

Some Mexican businessmen are publicly optimistic about their ability to survive and even thrive in foreign competition. But in private, many worry about having to sell out to foreign competitors, becoming junior partners or mere retailers of products made

abroad. Their fears can be eased only by government policy, which is sadly lacking.
Formal economic integration entails foreign and economic policy convergence. Countries linked on some issues cannot go in radically opposite directions on others. In the case of the European Community, sufficient (if barely so) similarities prevailed among the founding nations to make the additional convergences less painful.
But in the case of Mexico and the United

States, the distance between the two is so great that convergence will be very painful. It is one thing (and not a simple one) for Belgium and Italy to follow similar economic and social policies. It is far different for Mexico and the United States to do so.

If Mexico is as culturally complete as Mexicans assert it to be, then fears of free trade are largely unfounded. Conversely, if the country's construction as a national entity is far from solid, the North American free trade agreement can be its undoing.

 Jorge G. Castaneda, graduate professor of political science at the National University of Mexico, in the Los Angeles Times.

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## **OPINION**

GREAT: THEY'RE TALKING ABOUT SENDING US SOME AIR STRIKES...

## **Horrors Built** on Delusion

By José Cutileiro The writer is coordinator of the EC conference on Yugoslavia.

BRUSSELS—In early February, Lord Carrington asked me to preside over talks on future constitu-tional arrangements for Bosnia-Her-zegovina involving the Muslim, Ser-bian and Croatian parties that formed the coalition government. there. The first elections after the demise of communism had clearly favored ethnic parties over all others.

New arrangements were needed because Bosnian Serbs did not wish to belong to an independent Bosnia. They preferred to remain in Yugosla-Serbia. And they claimed that the Bosnian government's request for recognition was unconstitutional, because the consent of one of the three principal peoples of Bosnia-Herze-govina had not been secured.

In the Bosnian parliament, the Croats voted with the Muslims for independence; but once the European Community talks began they aligned themselves with the Serbs. Both parties insisted on a confederal structure. The Muslims' preference was for a unitary state.
On March 18, in Sarajevo, the

three parties agreed to a set of consti-tutional principles. Labels were avoided, but Bosnia-Herzegovina was to become an independent state with an internal political structure composed of three "constituent units." These units would be geo-graphically separate and discontinu-



would be inviolable, but that inside those borders Serbs and Croats would be guaranteed antonomy from Muslims and from each other. For more than two months after the war in Bosnia-Herzegovina began in early April, the three parties continued to express commitment to the principles. The Serbs and the Croats still do; the Muslims however, renesed on their commitment in June. "Cantonization" — as the arrangements came incorrectly to be called - was blamed for causing the war and said to be a disguise for the partition of Bosnia-Herzegovina. This is not the case. The negotia-

March 18 principles probably de-layed the outbreak of hostilities for about a month. And the principles agreed by the three parties were sure-ly not intended as a front for partition. They were, and in my view still are, the only alternative to a carving up of Bosnia-Herzegovina by Serbia and Croatia Without them, Bosnian Serbs would stick to their so-called republic, linked in some way to Serbs, and Bosnian Croats would Serbs, and Bosnian Croats would probably do something comparable. His protestations aside, Fresident Alija Izetbegovic of Bosnia Inows this. The agreement he recently signed with President Franjo Tudjman of Croatia stated that, after the war, Bosnia-Herzegovina would be organized in "constituent units." Of course, no territorial gains achieved by force can be accepted by the conference, and the previous ethnic composition of regions would have

Constitutional arrangements may seem a remote and pedantic topic to address while war is raging. Western publics feel overwhelmed by reports of Serbian brutality. Smaller horrors perpetrated by Muslims and Croats will in time become known: Ancient will in time become known: Ancient hatreds find grotesque outlets. War is a nasty business and civil war is perhaps the nastiest form of war.

And the Bosnian conflict, despite conspicuous contributions by Serbia and Croatia, remains fundamentally a civil war. Only a political settlement will get an end to it. ment will put an end to it.

parties concerned, the better it will be for the unfortunate peoples of Bosnia Herzegovina, Otherwise, the debision of creating a Greater Serbia, a Greater Croatia or a unitary, Muslim-dominated Bosnia, will cause even more suffering in the months, perhaps years, ahead.

## The Economy's Fine, They Say, but for Jobs and Pay

r ONDON - Unemployment now has risen during 27 consecutive months in Britain, demonstration of recession that will not end. John Major's new Conservative govern-ment points to other indices which it says justify optimism; rises in mannfacturing output, retail sales, exports. But for people, jobs count. And the number of available jobs has dimin-

ished by three quarters of a million in the past 12 months alone. The Major government insists that inflation has to be defeated once and for all, that continued high interest rates will do this job, and that afterward the economy will take off on a solid recovery. The current annual consumer price inflation rate is 3.9 percent, higher than in the United States, Germany, France or Japan.

The government thus refuses measures that would stimulate the economy now — demanded by several ma-jor business and industry figures who normally would support Conservative economic policies.

People not only cannot find jobs, but those who do also discover that wages are disproportionately low by comparison with the past. The in-crease in average wages in Britain in a quarter of a century. Does that sound familiar to an

American reader? One result of Thatcherism in Britain and Reaganism in the United States has been the loss of good jobs. In the United States, where the total number of jobs increased in the past decade, the actual wage paid has declined in that time by \$2 per hour. This is the result of the loss of technological leadership by the United States, producing hightech factory closings, compensated for by low-wage service work. The same has happened in Britain.

The Bush administration and the

Major government both have a fatalistic approach to the economy. Both are the inheritors of leaders possessing a powerful and seemingly successful ideology of total market freedom, govconnent deregulation, and a practical abandonment of the idea that govern-

By Charles Kranthammer

E AST HAMPTON, New York — Millions await

Fischer, that is. The king of chess. The greatest player

who ever lived. The man who 20 years ago won the world championship, then vanished. We know he is alive. Fischer sightings, if less tre-

quent than Elvis sightings, are somewhat more reliable.

He has been spotted among the alcoholics and home-less in rundown parts of Los Angeles. He talks to almost no one. And if anyone he does talk to talks to

the press, they never hear from Bobby again.

Twenty years of withdrawal. Twenty years of silence.

Twenty years without a single recorded game of chess.

Then late last month, the electrifying news: Bobby's back. A Yugoslav promoter announces that Mr. Fischer

has agreed to play again, a \$5 million rematch with Boris

passky, the world champion he dethroned in 1972. Where does Bobby surface? In Belgrade, capital of an

ourlaw state. This, of course, fits Mr. Fischer perfectly. He has hated every authority he has ever dealt with, starting with the international chess authorities that he

saw (sometimes with reason) as plotting against him.

Belgrade is, shall we say, an eccentric choice for a

coming out. But in Mr. Fischer, eccentricity and genius are hard to separate. His genius is undeniable. As a boy be was called the Mozart of chess. At 13, he played a game of such brilliance (against Donald Byrne) that it became known as the "Game of the Century." At 15, he

became the youngest grandmaster in history. Twelve years later he turned what is still the most astonishing

feat in chess history: In the run-up to the championship.

he played a series of matches against the strongest

grandmasters in the world. He won 20 straight games.

No losses. No draws. (At this level of play, wins are bard

Mr. Fischer's legend has as much to do with his

eccentricity as his genius. Perhaps eccentricity is too mild a word. Mr. Fischer has walked the line of

madness about as closely as any genrus of our time. He

is said to have removed the fillings from his teeth to prevent enemy radio transmissions. He is seized with

conspiracy theories, of dark plots to run the world.

to come by. Most grandmaster games end in draws.)

the return of Elvis. I've been waiting for Bobby.

By William Pfaff ment bears a responsibility for a society's infrastructure investment or funire-oriented research, not to speak of

its people's social welfare.
All these are supposed to be taken care of by the market interests of rational, prescient, advantage-maximizing private economic actors. If airports, railroads, housing for the poor, and health care for the masses are good for a national economy, the market will provide them, it is said. Governments can only do harm by interfering.

The trouble with this, for both Mr. Bush and Mr. Major, is that it seems not to be working. Their familism be-gins to resemble that of the mesmer-ized believers in the cult of the Juggernant, throwing themselves under the whoels of the great cart bearing the god's huge statue (a god with the

face of Adam Smith?).

Belief in total noninterference in

the economy was also common in the 1920s and early 1930s, when politi-cians and businessmen treated the crash and Great Depression as unalterable aspects of a business cycle which in the end could only produce good. John Maynard Keynes came along and changed people's thinking. and as a result permanently changes

the capitalist economy,
Mr. Major's additional problem is
that his economic fatalism is accompanied by an accommodating passivity in other aspects of government, which makes an increasingly painful contrast to the hectoring certainties and activism of the government of she who is now the Baroness Thatcher. Mr. Major is far better liked by his colleagues than she was, but he is not succeeding as she did.

On the Bosnian issue, Lady Thatcher published a lucid and energetic call

for military intervention against Serbian aggression at a time when Mr. Major and his principal ministers were

mi vacation, the second-rankers left behind mornbling vague excuses. The impression given is of feeble-ness, both intellectual and political, which is exactly the Bush problem. The 1980s were a curious political period for Britain and America, each with leaders who did not, perhaps, know very much, but who believed with passionate intensity in what they thought they did know. Their successions were hard both of consisting sors seem bereft both of conviction and — Mr. Bush's word — vision. For voters in the two countries, the

difference is that Americans can throw Mr. Bush out in November, if they like, Mr. Major is safely in office for the next five years — unless his own colleagues turn on him, as they did on Margaret Thatcher. International Herald Tribune.

O Los Angeles Times Syndicate.

## Trade Pact: A Boon to North America

MASHINGTON — The United V V States, Mexico and C completing the groundwork for the North American Free Trade Agreement, have taken a big step toward defining a new world order of expand-ed trade and brisk competition. The pact, eliminating tariffs on North American goods over 15 years, would create the world's largest free-trade area, with 360 million consumers and annual output exceeding 56 trillion.
Critics say the pact would inspire U.S. companies to relocate plants in

Mexico and encourage polluters to slip into Mexico and establish operations. Neither assertion holds up.
The accord offers advantages for U.S. workers, consumers and businesses. Mexico is the United States' No. 3 trading partner (Canada is No. and fastest-growing export market.
 The pact would belp President Carlos Salmas de Gortari advance his aggressive program of environmen-

The Next Move Is Up to King Bobby

By Michael Boskin The writer is chairman of President Bush's Council of Economic Advisers.

tal protection and economic reform. Recent history hints at what the ac-Mexico began reducing import tariffs in 1986, U.S. exports have leaped to \$33.3 billion from \$12.4 billion. This expansion has affected virtually every industry in the United States.

Since 1987, 47 of the 50 states have increased exports to Mexico. The accord would build on this. Trade liberalization would create

more jobs (as many as 175,000 net new U.S. jobs) and export opportunities.
To say businesses will move south
for low-wage labor is false. Mexico's low wages will not give it a strong compensive advantage; for Mexican

He has the stamp of a man who played chess too long, too hard and too deeply. After all, it is Mr. Fischer who said, "Chess is life"; and in chess you are always being pursued. Every action that occurs on the

board is designed to encircle, entrap and destroy you.

A century ago, the immates of the Bedlam Insane Asylum played Cambridge University in a correspon-dence chess match. Bedlam won. The association of

chess with madness is long and venerable. It is a feature of the popular imagination, of literary fiction (Nabokov's "The Defense," Stefan Zweig's "The Royal Game"), and, with Bobby Fischer, of real life.

Not many men have given up glory at the height of their powers. And few have done so as mysteriously, as

madly as Mr. Fischer. He has spent much of the last 20

years in a netherworld of extreme, conspiratorial Southern California sects. Refusing to be seen.

Mr. Fischer's life early recapitulates that of the only

other American world champion, Paul Morphy.
Morphy too had a meteoric rise and fall. In 1858-59,
with a triumphant tour of Europe, he swept the chess
world. He then returned home and abruptly quit the

game. He refused ever to play again, and descended into a permanent psychosis.

A hint of the darkness haunting Mr. Fischer came

with press reports from Belgrade of his acceptance of the rematch. The promoter said that for a year and a half

Mr. Fischer had been studying the Karpov-Kasparov matches (his successors in the world championship) and

Then within a week of the announcement, Bobby

was assuing demands and complaints about conditions

in the prospective playing half. This is his customary

preduce to backing out. It makes sense. Chess players, like baseball players, age. Mr. Fischer would surely beat Mr. Spassky, who is far past his prime. But then

there would be irresistible pressure to play the real champion, the young Gary Kasparov. Mr. Fischer

I am still waiting for Bobby. I would love to see him play. But if he slipe away, I'll understand. There is something to be said for dying, or disappearing young.

Washington Post Writers Group.

had come to the conclusion that they were fixed.

Obsessed with secret plots.

could not possibly win

workers are far less productive on average than U.S. workers. Nor does

rights, including those on occupa-tional safety and health.

illeral immigration. Critics say the agreement would en-

courage environmental cheating. False again. Mr. Salinas has made clear that Mexico has no interest in becoming a haven for U.S. polluters. In 1988 Mexico ico adopted a comprehensive environ-mental law, based on U.S. law and experience. Mexican authorities can. and have, shut down industrial facili-ties that violate the law.

some people in the short run. A next-fore, we would phase in the provisions gradually. And the administration is committed to working with Congress to ensure effective job training and placement for affected workers.

States, Mexico and Canada. The New York Times.

Mexico offer a haven from internaratified 73 International Labor Organization conventions on working

And Mexico needs U.S. products and technology to improve its productivity. As Mexico's productivity rose, so would Mexico's appetite for U.S. products. Mexican prosperity and sta-bility would reduce pressures for

The U.S. and Mexican environmen-

tal agencies have designed a plan to address pollution in border areas, and both governments have wowed to spend millions on the plan. The administration has worked hard to ensure that the free-trade

agreement would impose no undue burdens on U.S. working families. Of course, any economic reforms with long-term benefits could hart some people in the short run. There-In sum, the new trade agreement

promotes growth, raises living stan-dards and creates jobs in the United

complaints of the taxpayers; I wonder if he can feel the fear and frustration Mr. Bush has failed to address.

In his speech, Mr. Baker said all the right things about the coming campaign. He said it would offer the voters "fundamental choices" and, if successful, would give Mr. Bush a "mandate" for his domestic program.

But Mr. Baker's history suggests that he has little inclination to run the kind of campaign he described so

kind of campaign he described so well. The four campaigns in which he has played a prominent role have been long on slogans and short on substance, denying voters the chance to hear their concerns seriously debated and denying his party a chance to gain a governing mandate.

As Mr. Bush's campaign chairman

in 1988, Mr. Baker sanctioned — but let others take the blame for — the ads and attacks that demonized Michael Dukakis, Mr. Bush won, but Republicans lost strength everywhere else on the ballot. The only memorable promise of the campaign — "no new taxes"
— became the source of a budget policy fiasco still plaguing Mr. Bush. In 1976, when Mr. Baker emerged as a strategist for President Gerald :
Ford's election effort, the same tendency to fuzz the issues was apparent After a rough first year as an unclected president, Mr. Ford had assembled a talented administration. But he was sense of what he would do if voters

gave him a full term. In 1980, when Mr. Baker managed Mr. Bosh's bid for the presidential nomination. Mr. Bush won a surprise victory over Mr. Reagan in the leadoff lows caucuses and headed into New ... Hampshire as the favorite. But beyond his claim to being "Up for the '80s," he had nothing of substance to say.

It was really 1984 that showed Mr.

Baker's determination to separate campaign politics from the serious work of government. As Mr. Reagan's chief of staff, he converted a president who had talked issues and even ideology all his political life into the national checkleader. All challenges facing the country were buried beneath a threeword slogan, "Morning in America."

In talking to reporters back then,
Mr. Baker rationalized the emptymise for governing. But, Thursday's speech notwithstanding, there is no evidence that Mr. Baker ever thinks it a good idea to use campaigns to create mandates, or even to give voters a peck at what the candidate intends to do.

Mr. Bush will judge Mr. Baker's
performance by the rate at which Bill
Clinton's lead evaporates. But the country has another standard, the one

IN OUR PAGES: 100, 75 AND 50 YEARS AGO FULL: The Liver Court

## CALCUTTA - The feeling of un-

easiness which prevailed throughout India six weeks ago has revived in the last few days. A number of villages near Jellalabad have revolted, owing to an attempt of the Ameer to make a forced levy of ten animals per village for transport. The army is said to consist of 20,000 regulars and the same number of irregulars which ought to suffice to crush all resistance, but rumor is current that the Ameer is negotiating with the rebels, a course which is not unlikely to be forced upon him by increasing compli-cations within and beyond his borders.

1917: Smoking Sammies

PARIS - The American soldier in France has run short of tobacco. It isn't because the French Government will not let him have any of the weed it monopolizes. The trouble is due to Sammy's taste for the home brands, and to the fact that his consumption

has surpassed all expectations — at least the expectations of the quartermaster's department. But the chief quartermaster is not going to be caught short on his tobacco supply again. In future no American soldier here will have to face the alternative of smoking nothing or French tobacco.

#### 1942: On to Stalingrad

MOSCOW - [From our New York edition: Launching a full offensive against Stalingrad after securing strongholds in the North Cancasus, the Germans burled masses of infantrymen, tanks and planes today [Ang. 16] against Russian positions on the Kletskaya and Kotelnikovski fronts before the important Volga River city. Russian reports early today said the Germans had opened up a series of attacks with no regard for losses, and that German bodies littered the ground along the railroad east of Ko-telnikovski, where the Germans struck after regrouping their forces.

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On Baker,

Good News

**And Bad** 

By David S. Broder

WASHINGTON — The return of James Baker to the White House and the domestic political

House and the domestic political wars is good news for President George Bush. It may not be such a blessing for the country.

Years ago, when he was President Ronald Reagan's chief of staff, Mr. Baker was described in this column as

"the most capable unelected official

Washington has seen in years." Noth-

ing in his later service in the depart-

ments of Treasury and State would

cause me to revise that judgment

There is no one I would rather see working for the U.S. government.

His return to the White House will

aprove morale in the administration

and the Republican Party. His mas-

and the Republican Faily. The hasterful speech at the State Department Thursday was the most coherent and persuasive case for Mr. Bush's president and persuasive case for Mr. Bush's president and persuasive case for Mr.

dency that anyone has offered.

Mr. Baker's return means that
White House and campaign activities
will be directed by a man with the
credentials, the confidence and the au-

thority to get everyone pulling in the same direction — a vast improvement.

Still, there are reasons to wonder about the shift. It takes Mr. Baker

away from daily diplomacy at a time when his efforts, particularly in the Middle East, seem on the verge of bearing fruit. That is clearly a loss.

One also wonders whether Mr. Bak-er understands how much America

has changed and why voters are so sour on Mr. Bush. Mr. Baker is as

much an Establishment man as the

president, a polished Princetonian, a wealthy lawyer, whose skill lies in

dealing with other power-brokers.

Although he referred in his speech to

Americans' "anxiety and anger," he has not heard the voices of the jobless or the

complaints of the taxpayers; I wonder

headed 1984 campaign by saying that the only agenda available for the re-election effort was a right-wing wish list of social issues, which the country might have rejected and which Mr. Baker did not consider a sound pre-

Mr. Baker laid down on Thursday:
Will he deliver a campaign that claufies the choices facing America and creates a mandate for governing? The Washington Post.

# On Baker, Cood News And Bad

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UN Envoy to Check Camps for Abuses GENEVA - The United Nations Human Rights Commission H. David S. Broder condemned rights abuses in the former Yugoslavia on Friday and Raket to the wine

agreed to send a special envoy to Bosnia-Herzegovina for an urgent investigation of reported atrocities. The investigator, who is to report back to the commission by Ang. 28, will be Tadeusz Mazowiecki, 65, the former prime minister of Po-

Concluding an unprecedented emergency session called by the United States, the commission manimously adopted a resolution expressing its disgust at "ethnic cleansing" and other alleged rights violations.

But despite the wishes of some Islamic states on the 53-nation commission, it did not directly blame the Serbs for the violations. The Arabs had been eager to support Bosma's large Muslim minor-

Evidence compiled by the inves-tigator is to be available to prosecu-tors in any future war-crimes trial. Bosnia, backed by the United States and Germany, has urged that such a tribunal be established.

The resolution names "ethnic cleansing" as an especially serious violation. The phrase refers to mass deportations aimed at creating ethnically pure zones, a policy of which Serbian forces have been

But the text does not single out the Serbian, Croatian or Muslim munities in Bosnia-Herzegovina for hlame, reflecting a U.S. view that this would increase the chance of reaching a consensus at the

The now Serb-dominated Yugo-slavia, a commission member, did not block the consensus. Its envoy, Branko Brankovic, said he was going along even though the panel seemed to be assuming Serbia's

guilt without having proved it. The resolution also demands that the International Committee

of the Red Cross be given immediate access to all prison camps in the former Yugoslavia The committee has said that all sides have been guilty of abuses.

The Muslim countries had wanted the resolution to single out Serbia as the aggressor. At their request, a reference was inserted into the resolution of a lower UN buman rights body's decision that did explicitly accuse Serbia. A U.S. assistant secretary of

state, John R. Bolton, clashed with the Serbian diplomat Thursday during the first day of the meeting. He warned that the Serbs risked going down in history as "citizens of the last fascist state in Europe."

Mr. Bolton put the blame for rights violations firmly on Serbia and Montenegro, the two republics remaining in Yngoslavia.

In introducing the resolution, Bolton said that the United States had independent evidence that Serbian forces were moving prisoners from camps so that Red Cross delegates could not observe them.

"To the perpetrators of the ap-palling acts now alleged," he said, "I say that the international community took a vow when it realized what had been committed by Nazism in Europe during the Second World War: 'Never again.' We ask the people of Serbia-Montenegro this simple question: Do they wish to go down in history as citizens of the last fascist state in Europe?"

Mr. Brankovic jumped up, ac-cused the United States of fascism and said the real aggressors in the Bosnian conflict were those who had decided to grant Bosnia politi-cal recognition before it could settle its internal problems. He also denied that Serbs were running concentration camps.

In reply, Mr. Bolton waved a copy of Time magazine with a photograph on the cover of gaunt prisoners in a Serb-run camp in Bosnia. "Pictures speak louder than words," he said. "Is this fascism or

DEMOCRATIC ANNIVERSARY — Workers at Vagankovskoye Cemetery in Moscow finishing a memorial to three young men killed in the failed coup of August 1991 in time for the celebration of the "victory of democratic forces," scheduled for Wednesday.

## Fighting Reported in Georgian Region

By Michael Dobbs igion Post Service

MOSCOW - The Georgian leader, Eduard A. Shevardnadze, sent troops into the break-away region of Abkhazia on Friday, touching off the hercest lighting in the former Soviet republic since he returned to power earlier this

Reports from the Abkhazian capital, Sukhumi, said that as many as 15 people had been killed after troops loyal to Mr. Shevardnadze swept into the town in an attempt to restore central control. The region declared independence from Georgia last month.

The Shevardnadze government suspects that a dozen officials kidnapped earlier this week by supporters of the former president, Zviad K. Gamsakhurdia, are being held in the semiaotonomous enclave of 550,000 people oo the Black Sea. But Abkhazian anthorities called the kidnapping affair a pretext for "an invasion." At a news conference on Friday, Mr. She-

vardnadze defended the decision to send 5,000 troops into Sukhumi and denied that they were an occupying force. He described the situation as "very tense," saying that there had been street battles between Georgian and Ahkhazian national guards.

"Abkhazia and Sukhumi are Georgian, so you cannot speak of an army of occupation," he said, "Everyone should understand this."

The former Soviet foreign minister, credited in the West with helping to end the Cold War, has so far had little success in bringing peace to his native Georgia since the overthrow of Mr. Gamsakhurdia in January.

His attempts to win over Gamsakhurdia supporters by offering them a general amnesty last month are oow in tatters, and he is under ressure from hard-liners in Georgia to take tougher action against minority groups like the Witnesses in Sukhumi said several thousand

Georgian troops in tanks and armored cars, supported by helicopters, moved into the town early Friday morning, waving cheerfully. But they were taken by surprise as snipers opened fire on their column.

A Reuters reporter in the town said that he had seen at least five Geopregians killed and several of their tanks destroyed

The Russian radio said that Georgian forces had seized the airport and that the parliament building was being shelled from gunboats.

## For King of Spain, An Olympic Upset

BARCELONA - When the Olympic Games opened July 25, the fear was that Catalan nationalists might heekle King Juan Carlos l during his opening remarks. By the time of the closing ceremony Aug. 9, the Spanish king had emerged as one of the big winners of the Games.

The reasons might seem anecdotal. He made the gesture of saying a few words in the Catalan language during the opening. His son, Prince Felipe, struck a fine image carrying the Spanish flag into the stadium. The king attended events throughout the Olympics, and when Spaniards won medals, be and Queen Sofia always seemed to be present.

The significance of his presence, though, weot beyond the Games. He not only helped the rest of Spain identify with an occasion that Catalonia's regional govern-ment had tried to claim as its own. He also made many Catalans feel more warmly toward a monarchy that has long symbolized meddle-

some rule by Madrid. How these emotions will affect the central government's complex relationship with Catalonia, the Basque region and 15 other autonomous regions is more difficult to gauge. Yet the very fact that the king looked Catalonia in the eye and did not blink prevented the Olympics from becoming a politi-

The risks were apparent. The king was booed when he opened the re-built Olympic stadium in September 1989. Before this year's Games, the regional government promoted the slogan "Freedom for Catalonia."

And many nationalists were unhappy that Catalan athletes were not competing as an independent

Concessions were made to local pride. Catalan was accepted as one of four official languages at the Games, the Catalan national aning and closing ceremonies and Catalonia's flag flew alongside those of Spain, Barcelona and the Olympics at all sporting occasions.

But Catalonia's nationalist president, Jordi Pujol, wanted more credit. And even though the Games and the accompanying investment in Barcelona — were paid for largely by Madrid and Barcelona itself. Mr. Pujol presented them as the Catalenia Olympics, even paying for fullpage advertisements in newspapers around the world placing Barcelons to the "country" of Catalonia.

Now, with the Games over, Mr. Pujol has clearly suffered a political defeat. His effort to seize the Olympies backfired, stimulating a wave of anti-Catalan feelings elsewhere in Spain.

More important, with Spain winning more medals than ever before. many Catalans were happy to feel part of a successful national team Mr. Pujol was rarely seen at Otympic sites. Renowned for his political wiliness, he perhaps sensed that spectators were more interested in sports than politics. He may also have recognized

that he had been outmaneuvered by his main political fee. Pasquat Maragall, the Socialist mayor of Barcelona, who also headed the Olympic Organizing Commutee.

Even in Barcelona, politics will

probably soon be back to normal. Mr. Maragall said that Mr. Puje! had paid a political price for engag-ing in "frivolities" before the Games and that while he and the Catalan president had declared an Olympic truce" for two weeks, "I am afraid it won't last."

What has changed is that through the figure of the king. Cat-alans have been made to feel closer to the rest of the Spain. And at the closing ceremony, while Catalan flags were waving around the stadeum, the crowd gave Juan Caries an ovation that no other Spanish king has ever heard in Rarcelona.

## In Holland, Respite for Bosnian Refugees

By Jeffrey Stalk

Special to the Herald Tribune DEN BOSCH, The Netherlands - Some of them talk animatedly with visitors. Others sit and stare. Most seem bewildered by all the

After months of fear and uncertainty, refugees from Bosnia-Herzegovina are discovering that life in the Netherlands has brought them comforts like clean bed sheets and discomforts like reporters "competing for the bloodiest of stories," as one official put it.

About 350 women, children and older men are living in the red-brick King Willem I Barracks in Den Bosch, one of three refugee centers Don't call it a camp in one official said.

There is a reason here for sensitivity to the word "camp." Before World War II, the Dutch built one, complete with guard houses, in Westerbork for the mostly Jewish refugees fleeing

Nazi Germany. When the Germans invaded in 1940, they were pleased to find a facility already in place for the Jews they would one day send to Auschwitz and Bergen-Beisen.

There are no guard towers in Den Bosch, and the refugees can come and go as they please.

Officials estimate that 10,000 people from
the former Yugoslav republics have sought
shelter, legally and illegally, in the Netherlands
since the lighting began. Many are now staying, at government expense, with Croatian and Bosnian families who settled in the country earlier.

With no sign of a permanent cease-fire in sight, Dutch authorities and the local Red Cross are gearing up to handle an expected major influx of refugees.

Since Aug. 1, those who fled the war are being classified here as "displaced persons," a distinct category from the more complicated "asylum-seeking" procedure.

Displaced people will be allowed to stay in the country for three months or until it is

deemed safe for them to return home or go to a facility nearer their home. The government is providing them with food, 12 . We asked them if they wanted us to keep the

Most of the refugees in Den Bosch are Muslims from Bosnia who arrived in a six-bus convoy from Slovenia last week. A doctor de-

scribed their health as "reasonably good," considering that a majority of them have spent at least some time in Serbian detention. The doctor said that he had found evidence of torture in one case - that of a 61-year-old

man who had suffered ocrve damage to his groin. The man said a Serbian guard had pulled the hlunt edge of a knife across his testicles. The man then opened his mouth to reveal gaps in his teeth. His captors pulled out the gold ones, he

The doctor also said that a number of people were in need of eyeglasses. The Serbs were said

to have smashed prisoners' glasses before releasing them.

Aid workers report that the refugees are usually cheerful and friendly but can break down in tears after a kind word or a pat on the back. Many live in fear for sons, husbands and fathers who may be interned or still fighting in

There are no men between the ages of 18 and 40 among the refugees here.

A Dutch Red Cross spokeswoman, Marineke Scholtes, said the center's staff had tried initially to shield the refugees from reporters.

the government is providing them with lood, "press out," she said. But they want to talk to shelter, included eare and pocket money. Done "reporters. They want to get their story out." center are children, and for them the stay in Holland has created another problem.

> Volunteers have been arranging swimming outings and other excursions for the children. and there are plans to organize a school pro-

The facilities in Den Bosch can house a maximum of 700 people. They are in spic-andspan condition. A cleaning crew has been hired to look after the sleeping and common areas, and a catering concern serves three meals a day.

How much this is costing the Dutch taxpayers is not yet known, a spokeswoman for the Ministry of Welfare, Health and Cultural Affairs said. Altogether, she added, the government has room for 1,700 displaced people.



An inmate of a Serbian detention camp in northwestern Bosnia was photographed during a visit by representatives of the Red Cross.

## NATO: France Offers Troops, but Allies Are Cautious IRAQ:

(Continued from page 1)

join a new convoy-protection force. Announcing France's readiness to dispatch extra soldiers plus troop carriers, light armored vehicles and helicopters to Bosnia, For-eign Minister Roland Dumas said he had asked other Western governments how they would carry out the UN mandate. "We are awaiting their answer,"

he said. The United States, Britain, Germany and Italy have been unwilling so far to send ground troops to protect relief missions. They appear to be counting on the Security Council resolution and the London conference to persuade Belgrade and Serbian militias to end attacks

on Bosnian Muslims.

Hopes of progress in London,
however, suffered a new setback Friday when the presidents of Serbia and Montenegro, which form the rump Yugoslav state, boycotted

(Continued from page 1)

be seen as a setback to political and

economic union.

A rejection would be a historical

anomaly, because for 40 years France has been working toward

integration as a means of harness-

ing Germany's economic and in-

dustrial might to a common vision.

If the French do vote "no," the first

thing to happen will be President

Fracçois Mitterrand phoning

Chancellor Heimnt Kohl to work

out a common plan, according to

Susie Symes, director of the Europe

Program at the Royal Institute of

a meeting in Brussels called by the Exchange of Prisoners European Community mediator, Lord Carrington. The Yugoslav prime minister, Milan Pame, came in their place but was not allowed

to join the meeting. Instead, Lord Carrington met him privately and told reporters later that "to be frank, he did not have any oew ideas." After the mediating session with the presidents of Slovenia, Croatia, Macedonia and Bosnia-Herzegovina, Lord Carrington noted, I would be wrong to say anything oovel

Bosnia's Moslim president, Elijah Izetbegovic, also met Lord Carrington before announcing that he would not hold a scheduled meeting in Brussels this weekend with Bosnia's Serbian and Croatian

"The Serbs have to choose - to negotiate or wage war," he said.
"They cannot do both."

Serbia and Croatia on Friday exchanged hundreds of prisoners news agencies reported. The "all-for-all" exchange of about 1,100 prisoners of war, of which about 400 were Serbs, had been agreed between Mr. Panic and his former Croatian counterpart, Franjo Gre-

It was conducted under the auspices of the International Committee of the Red Cross and the United Nations.

In another development, taking a "prudent precantion," the U.S. Navy has ordered the aircraft carrier Saratoga and its 80 warplanes to move into the Adriatic Sea closer to Bosnia, Defense Department sources said in Washington. The move would place the Sara-

toga and its accompanying ship, the cruiser Biddle, in position to support UN humanitarian ship-ments. (AP, Reuters)

## Offensive Feared

(Confinued from page 1)

Iran, and combat aircraft are training for combat maneuvers "virtually every day." American officials have warned that the United States could use

Michael Wines of The New York

A senior American official said the United States had sent new evidence to the United Nations that Iraq is hiding military documents in "one or more" ministries in violation of the cease-fire accord that ended the Gulf War.

The official said the United Nations was likely to demand access to the ministries "within the proxi-mate future," and expressed hope

But he added that the United sharply if he decides we can't inspect certain places."

returned to Baghdad on Friday after three days hunting for military secrets outside the city and said everything was going to plan, Reu-ters reported from Baghdad.

diplomats in Baghdad that his team areas. was being allowed to search minis-

#### (Continued from page 1)

dorsing his reforms and constitutional talks with black leaders. This allowed him to stand on the steps of his presidential residence in Cape Town and proclaim that "we have closed the book on apart-

Not quite, if one pays attention to the details. On the ground, white society and the government hureaucracy have worked to vitiate the reforms be proclaimed. Only half-hearted attempts have

been made to root the reforms in a white community of 4.5 million people, most of whom were initially unreceptive and later outright reactionary. The result is a kaleidoscope of half-reforms and partial changes too complicated for anyone to discern the pattern. Thus the old apartheid system.

even the constitution, is largely in-The 10 "self-governing" or "in-dependent" black homelands — keystones of the failed apartheid

plan to spin off blacks into their own separate "nacions" - have remained. The system of separate government departments for each race group has continued. Changes in most basic structures of the apartheid system, the white government told blacks, would have to await the outcome of constitutional talks. Mr. de Klerk made a token effort

in 1990 to deal with what the government calls "backlogs" in housing and social services for blacks. He created the Independent Development Trust and funded it with \$900 million, half from sale of strategic oil reserves, for barebones re-

["It was normal inspection activities," said the team leader, Nikita
Smidovich. "All is going according percent of the black labor force that is out of work. Nor has there THe refused to disclose which been any mass housing program to sites were inspected by the team. help the 3.6 million squatters and Asked about speculation by some backyard shack dwellers in urban

For the country's 33 million tries on condition the visits were blacks, apartheid in education has not publicized, Mr. Smidovich said been targely untouched. The govthe question should be addressed to ernment has steadfastly resisted all the United Nations in New York.] appeals by blacks to integrate the

#### 14 separate education departments into one structure dispensing equal

education to all. Nor has anything changed in the election system. There are still three separate houses of Parlia-ment. Blacks do not vote.

The Separate Amenities Act of 1953, which kept blacks out of white parks, pools, libraries and restaurants, has been scrapped. But in the small rural dorps, or villages, white authorities have increased fees for public facilities or reodered them joaccessible to hlacks wanting to use them.

force integration, so it is extremely difficult for blacks to take discrimioation cases to court Results of the attempted land

reforms have been meager. "Nothing has changed," said Ken Margo. a spokesman for the Transvaal Rural Action Committee. "The government has not conceded these were forced removals and therefore people should get their land back."
White society, after an initial flirtation with liberalism in early 1990, has pulled back into its segregated shell.

At first liberal whites tried to befriend the local blacks and discuss their demands. Chief among these has been amalgamation of committe townships with the core white municipality to establish a single governing body providing common garbage, water, electricity and other services.

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## to white power, privilege and purse, athan Gluckman.

they have pulled back.

But as soon as whites have real- anguished cry of one of the counized the high cost of such mergers try's leading pathologists. Dr. Jon-

"I can't stand it any longer." he Perhaps the most painful re- told the Sunday Times of Johanminder that real change will be a long time in comiog to South Africa has been the police force. De-

spite numerous reforms loudly pro-claimed by the government, the The latest government figures The latest government figures police today act pretty much as show that 68 people have died from they did in the old South Africa.

It all seemed summed up in the in the first six months of this year.

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Service of

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Foreign Affairs in London. Polls indicate that the French will vote for the treaty. Bot the "no" votes are rising in some polls, with Communists, radical rightists and part of the Gaullist party cam-

paigning against the treaty.

Britain will be primarily respon sible for picking op the pieces in the event of rejection, because it is in the chair until the end of the year. A Foreign Office spokesman declined, however, to say what con-

Each new poll on French voter attitudes sends stock exchanges and money markets into a frenzy. The immediate effect of a "no"

could be a severe financial crisis. "If the vote is 'yes,' then markets will go up," said Peter Pietsch of the Commerzbank in Frankfurt. There would be more optimism because we could be sure there would be no realignment of exchange rates in the foreseeable future. There would be a good chance that people would start buying se-movement across frontiers, already curities again, and we could bring are in force. There is nothing to down interest rates."

A "no" vote, he added, "would impose strains on the European monetary system and it would force countries like France, Italy and Spain to increase interest rates in order to maintain stable exchange rates, or to realign their correncies."

Ms. Symes and other analysis said it was unlikely that Mr. Mitterrand would step down if the refer-sense have lost its soul.

FRANCE: The Thin Gauloise and the Maastricht Vote tingency plans, if any, have been endum went against him. He has surrounded himself at the Elysce presidential palace with a new team chosen for expertise rather than for political considerations.

The team's priority mission, according to the magazine L'Express: "After sales service on the Maastricht treaty if the vote is "yes": reconstruction after the disaster if the "no's" are in the majority." Even if France rejects the treaty,

the single market measures already approved will come into force on Jan. 1 -many of them, such as free prevent the EC going ahead with plans to admit new members. Ms. Symes said. It would be business as usual, which some British officials say privately would suit them just fine because it would avoid major

institutional changes.

But analysts in Paris, Brussels and Bonn said the EC, without the Maastricht commitment to political and economic unity, would in a

warplanes to shoot down Iraqi aircraft involved io the attacks on the south. The United States has maintained more than a hundred com-Sandi Arabia and the aircraft carrier Independence, with several dozen strike planes on its decks, is

currently steaming inside the Gulf. ■ New Evidence Cited

Times reported from Washington:

that President Saddam Hussein would not resist an inspection. States had consulted with the allies that joined in defeating Iraq last year, and that "we can respond

[A United Nations arms team

## CHANGE: Half-Reforms and Old Habits Leave Apartheid Largely Intact

## Scholars Cry Cultural Theft

Mexican Site at Center of Storm

By Tod Robberson

Washington Post Service
EXICO CITY — A major archaeological discovery announced here has set off a heated controversy be-

announced here has set off a heated controversy between the government and a group of American and Mexican scholars who accuse Mexican officials of promoting the theft of intellectual and scientific property.

At issue, according to a group of U.S. and Mexican archaeologists, social scientists and intellectuals, is the work of an American archaeologist, Jeffrey K. Wilkerson, whom they credit with the discovery 20 months ago of a large archaeological zone hidden beneath dense jungle about 160 kilometers (100 miles) north of the Guilf Coast port of Vergenz Gulf Coast port of Veracruz.

The zone, according to Wilkerson, provides crucial evidence of a "cultural corridor" linking pre-Hispanic cultures of the southeastern coastal region with urban civilizations of Mexico's central highlands. Scholars here and in the United States accuse Mexican officials of giving Mexican archaeologists information contained in confidential proposals that Wilkerson submitted to the government's Council of Archaeology more than a year ago. They say the archaeologists are now copying his work, while the government has denied him permis-

sion to begin long-scheduled restoration.

"I found what they did to him disgusting," said Homero Aridjis, the president of a Mexican organization of writers, artists and intellectuals known as the Group of 100. "I think they did it because it is a big finding, a very important project. Any archaeologist could get a lot of fame and bureaucratic recognition out of this. Why let this

An archaeological zone shows evidence of a pre-Hispanic 'cultural corridor.'

gringo take this big project when we can take it?" "There is no question that this is theft of intellectual

property," said a Veracruz rancher and ecologist, Gerardo Rivera. Interviewed by tele-phone, he said he heads a group of landowners, environmentalists and archaeological enthusiasts in Veracruz state who have worked with Wilkerson on

various projects over 20 years. Referring to the Mexican government, he said: "They have to understand that this sets a very bad precedent, because any scientist, anthropologist or archaeologist who comes from the outside to work

here will now question whether his work will be protected."

He added: "It goes beyond science. How will foreign companies know that their products will not be copied here?"

On Wednesday, the government announced plans to begin a new Mexican restoration project — described in terms similar to those used by Wilkerson in a confidential proposal — without mentioning any of the work done by him or even his name. The announcement, by the National Council for Culture and the Arts, said the Mexican project would be "the most ambitious undertaken in the country in recent decades."

The announcement credited the late Mexican archaeologist Medellin Zenil with discovering the site in the early 1950s, which American and Mexican scholars said was technically correct. They said a diary notation by Zenil made mention of some unidentified mounds he had seen in a vaguely described location near the Nantis River. But he made no attempt to investigate the area further.

CCORDING to colleagues of Wilkerson, it is obvious from spoilage and markings at the site that Zenil was not the only one to have visited it in modern times. They credit Wilkerson with ascribing archaeological significance to the discovery when he first visited in late 1990.

Shortly after his first visit to the Veracruz zone, Wilkerson applied for a permit from the government-run Council of Archaeology to begin restoration work. The enthusiastic response to him, outlined in a letter last September from the council, was that it regarded his project as "very well structured and presented."

The New York Times reported news of the discovery Aug. 7. Colleagues of Wilkerson say the Mexican government, informed in advance of the prospective New York Times article, hastily announced plans for its own project to restore the zone. At that point, according to Rivera, Veracruz officials and government-backed archaeologists began visiting the site. Wilkerson, 47, who heads the Institute for Cultural Ecology of the

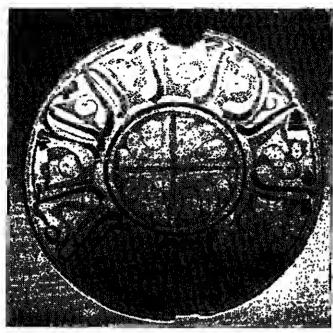
Tropics, in Veracruz, said he was at a loss to explain the government's action. "In 30 years of intense investigations in the tropics, I've never encountered such problems," he said. He said he had no objection to the Mexican project, even though it

was proposed long after his project.
"But I do seriously lament the lack of consultation," he said.

Alba Gonzáles Jácome, a professor of social sciences at Mexico City's Ibero-American University, said that despite all the recent talk of a fundamental change in Mexican attitudes, there remained a

"deep distrust of foreigners" in the Mexican psyche.
"There is a deep anti-foreigner feeling here that dates back many, many years," he said.





Drinking vessel missing handle, above, circa 1200; bowl with maxim on knowledge, Samarkand, 10th century.

## Light on Central Asia Enigma

Paris Show Lifts Veil on Islam's Emergence in Iran

International Herold Tribune ARIS - Under the cloak of apparent simplicity, a highly focused exhibition of objets d'art lifts the curtains on some of the enigmas surrounding the appearance of Islamic culture in the Iranian

ilieu of Central Asia.

On view at the Institut du Monde Arabe until Sept. 27, 336 pieces sent by the Registan Museum in Samarkand illustrate the art of the potter, with here and there, some bronzes, a few frag-ments of architectural decoration, and the odd stone or glass implement. All come from the excavations conducted on the "Fortress of Afrasiyab," as the site of old Samarkand some distance away from the present city has been

called since the 18th century.

Archaeological finds, particularly when fragmentary as is the case with some of the most beautiful vessels, are never easy to display. The coordinator, Jeanne Moulièrac, loves objects she is an occasional collector - and it shows. The sensitive groupings, unpretentiously done with limited funds, avoid the pitfalls of theatrical mise on scene or clustered documentary evidence. Labels are kept to a sensible minimum.

The objects are left to speak for themselves.

When it comes to the bowls and vessels with 'calligraphy as the sole decoration, the effect is often stunning. The 10th century from which the most beautiful pieces date was the first great period for calligraphy in the Iranian world where it took on a di other Islamic lands.

Nowhere else is there anything like the bowls with the bold, tense calligraphy painted in sepia brown on white found in virtually identical form in two cities, Samarkand, and in Neyshabur, further south in present-day Iran.

In some cases, the calligraphy is very similar to some of the styles found in manuscripts, essentially Korans in a rectangular format. The artists sought to achieve the same color effects. There is a striking resemblance between the delicate sheen of the off-white prepared paper and the same pale ivory aspect of the white slip on pottery, both setting off the blackish brown lettering. But the third dimension in pottery lettering the same pale ivory aspect of the white slip on pottery both setting off the blackish brown lettering. But the third dimension in pottery lives it a monumentality no matter both small gives it a monumentality, no matter how small the size, that manuscripts lack.

Invariably written in a single line, the inscriptions have a bypnotic effect with their bouncing rhythm, their alternatively elongated and tensecompact lettering, suggestive of the rhythms of Koranic recitation or poetry chanting. Utterly different genres prevailed simulta-

neously.
One, known so far only from the Samarkand finds, resorted to monumental formal patterns painted in golden brown such as a bowl with six lotus blossoms that ranks among the master-pieces of its time. Another genre depended on quickly engraved strokes. The pots have a calli-graphic touch to their abstract designs, associated with bold color effects in green, yellow and

slivers or specks of aubergine.

A shallow dish in that group illustrates an extraordinary aspect of ceramic art at that time — a spatial composition identical to that of landscapes known from Iranian figural silver. combined with details stylized into abstraction. These are so lightly done and unobtrusive that the catalogues missed the orientation of the very rare tray with broad brim. A single stroke defines a low horizon line within the circular panel of the dished area. From this, two stalks ending with two-lobed ornaments rise up to the

#### SOUREN MELIKIAN

top. They probably stand for the letters "alif-lam" (A-L), which are the object of esoteric speculation as the fundamental letters of God's name in Arabic. Volutes carrying half-pal-mettes stem from the stalks with a swirling ments stem from the states with a swining effect, leaving them half way between suggested figuration and lettering. Another bowl not to be missed has a pattern misleadingly described as "vegetal, geometric and pseudo-epigraphic."

The motif, in fact, is architectural. A roundary in fact, is architectural. with eight horseshoe arches (an idea known from metalwork) runs on the sides, illustrating the "arcade of heaven" of early Persian poetry.

the "arcade of heaven" of early Persian poetry.

Nor is there any "pseudo-epigraphy" — the
Arabic word baraka, used in the Koran for
"divine grace," is inscribed twice in the center
in slender but legible lettering.

This is a visual way of saying that the rotunda
of heaven in the "celestial bowl," a literary
metaphor for the universe, is ringing with the

echo of divine grace.

The religious note is not surprising in the context of Samarkand pottery. The inscriptions on the purely calligraphic vessels reproduce sayings of the prophet Mohammed, of Ali, his son-in-law and successor, and maxims advocat-ing detachment from the world, some with an early Sufi ring to them. "The noblest wealth is renouncing desires," reads one. Another celebrates our changing attitude to knowledge as it increases: "A taste of it is bitter, but sweeter than honey is its ultimate stage." They are precisely the same as those found on the pottery from Neyshabur. It is not just the potter's art between the two great cities that is similar, so is

As one walks around, the parallelism becomes ever more apparent. A gray stone vessel described as an inkwell but looking more like an incense burner has its exact match from the Neyshabur finds. A glass pitcher looks like others in various museums, again from Neyshabur. Metalwork from the earliest times to the

decors over a long period. Some objects may have been imports. The question may be asked about a beautiful drinking vessel shaped like a jug which now misses its handle. It was made around 1200, perhaps in Khorasan.

The entire culture, in short, was the same as history would lead one to expect. Samarkand and Bukhara in the north, Neyshabur, Mashhad, Herat and Balkh (the latter two in present day Afghanistan) mark out the area where the Persian language took its present shape and Persian literature was born. Rudaki of Samarkand, who lived at the time when some of the calligraphic bowls were made, is among the

very first poets in Persian.

The Persian spoken to this day in Samar-kand, like that of Bukhara, is the most archaic anywhere. What makes Samarkand distinctive is not so much the artistic achievements that, admirable as they were, formed part of the common Eastern Iranian heritage, as the milieu that produced them.

In antiquity, Samarkand and Bukhara formed part of the first unified franian empire founded by the Achaemenid dynasty when Cyrus the Great mounted the throne in 559 B. C. But the conquest of Alexander's troops in 329 which devastated the city a year later marked a break

The local Sogdian population with its own north Iranian language had strongly original features. Samarkand was not the most likely city to become a cornerstone of the new Persian culture that arose out of the Islamicization of Iran during the 7th and 8th century.

HAT helped is the abvious deep attraction to ideas from the south, even before Islam. The two Russian scholars Galina Shishkina and Ludmila Pavshiniskaya note in the preface. that Zoroastrianism, the early Iranian religion born in Central Asia at some unknown point before the Achaemenids had once again become the predominant religion by the 7th century. With Zoroastrianism came the attraction

to the culture of the south.

The so-called "Arab" invasion accelerated the process. The "Arabs" occupying Samarkand in 712 probably included as many Iranian Muslims in their ranks.

When Turkish dynasties ruled the whole Iranian world by the middle of the 11th century, they strengthened the spread of the unifted Iranian culture, each one vying to be seen as its greatest protagonist. Much later in time, the Uzbek dynasty of the Shaybanids did as much for Iranian art in the 16th century as the Timurids had done in the 15th century, trying to attract all the artists they could from further south in Khorasan. It is largely thanks to the Uzbeks that Samarkand, their present capital, is as much a gem of Iranian architecture as Ispahan.

HOMIC SCENE

pon Fans Take No

Les Solution in ?

## Peter Max Back in Creative Motion

By Felicity Barringer
New York Times Service

EW YORK - Close your eyes and imagine a blank canvas filling with bright colors, fluid lines, delicate forms. That, for the artist Peter Max, is pure creativity. Now imagine an artist, brush heavy with color, moving with energetic dance steps before the canvas, filling the canvas with sweeping strokes. That, for Max, is

creativity made manifest. Now imagine a cameraman vidcotaping the artist dancing before the canvas. That is creativity made manifest through many media.

Now imagine that the canvas is not a canvas at all but the Berlin Wall in the fall of 1989. That the creative moment reaches its apex when he writes a single word:

Dos-A-Dos By Irene Smullyan

Max and his work, is poised for replay. playing on a bank of 18 screens in his New York studio. Even in a world where exhibi-

tionism is a way of life, that might smack of self-promotion. Not for Max. Call it creativity made mani-re-emerged in high-profile venues fest through many media many ego in synergistic partnership. Welcome to the well-lighted stu-

dios of Peter Max. This is the fiftysomething artist whose work, from the "Yellow Submarine" cartoon in 1968 to the multiple Statues of Liberty of recent vintage, serves as a visual time machine spiriting the fortysomething generation back to its twentysomething (tensomething?) roots. Two decades and more after be became a cultural

"Max." That the camera zooms in icon, Max has, figuratively and liter-for a close-up. That the resulting ally, videotaped his 15 minutes of image, part of a longer videotape of fame. And he's always ready for a

After 17 years in seclusion, a

divorce from the mother of his two children, and endless hours of meditation. Peter Max is back in motion. Since the mid-1980s, he has ranging from the Berlin Wall to (where he got the tion for the multiple-panel portrait "40 Gorbys"). He has created stamps for the United Nations to commemorate this year's Earth Summit in Rio de Janeiro, Two large Max murals are featured at the world's fair in Seville.

SKED to compare the 1969 model Max with the new, post-seclusion model, he said: "Nineteen sixty-nine was a very big year for me because I felt, you know, this recognition. I was on the cover of Life. It was the year of Woodstock. ft was the year of man on the moon. And these are all things that are interesting to me. I was as excited about man going to the moon as me being on the cover of Life, if you can ne that, because I had always loved astronomy. And it was the

year I decided to go on retreat. There were 17 years when I did a lot of contemplation, a lot of medita-tion. And I worked on my craft

The result is a protean outpour-ing of primary colors and simous forms: mountains that inspire contemplation or female bodies sketched with an economy of line that still permits Maxian flourcolors bright, their expressions whimsical, or impassive, or inscrutable and gentle like those of the Buddhist monks who populated Max's childhood in Tibet. (His parents, a German pearl merchant and his wife, left Nazi Germany in the late 1930s when Peter was an infant and fled to Shanghai. In 1953, after a sojourn in Israel, the family moved to New York.)

His publicist says his works are offered for prices ranging from \$1,000 for a lithograph to \$1 million for a large canvas now in pro-

New York dealers, who find their pool of buyers depleted these days, raise their eyebrows at such figures. But there is no independent way to determine what price they

Still, there is no denying the ap-

ART EXHIBITIONS



Suzame DeChille! The New York Time? Peter Max in front of a bank of screens in his studio.

peal of his art. A Japanese busi- choice when he discusses it. "I love nessman signed a \$3 million licens- a thick load of brusbes and 1 like a ing deal with him to open a chain of lot of color on the brush and I love "Neo Pop" stores in Japan, al- the movement, the fact I am six to though a spokesman for Max said eight inches away from my canvas. that since the economic downturn. The first stroke as it lays itself on

Creativity, he said, is what really a mirror and seeing my art far matters. "Love" is his verb of away."

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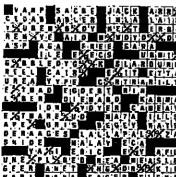
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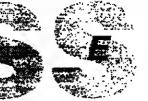
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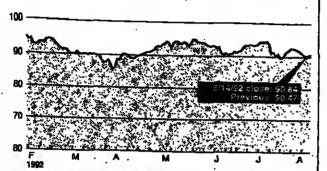






International Herald Tribune World Stock Index o, composed

of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, The index tracks U.S. doser values of stocks in: Tokyo, New York, London, and Australia, Australa, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlanda, New Zesland, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the Ien top stocks are tracked.

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Energy	96,14	96.51	-0.38	Capital Goods	96.24	95.94	+0.31
Utilities	84.14	83,35	+0.95	Raw Materials	99.19	99.01	+0.18
Finance	72.95	72.93	+0.03	Consumer Goods	97.62	97.12	+0.51
Services	98.90	97.78	+1.24	Miscellaneous	103.87	103,80	+0.07

For readers deshing more information about the internetional Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulte, 92521 Neuilly Cadex, France.

## Germany Records First Price Drop in 2 Years

Compiled by Our Stuff From Disputches

U.S. rates, at their lowest levels in about couple of months' time." The Lombard rate a year-to-year rise of 1.1 percent, down from three decades, is a major cause of the dollar's reported its first drop in wholesale prices in weakness.

U.S. rates, at their lowest levels in about couple of months' time." The Lombard rate a year-to-year rise of 1.1 percent, down from has become a focus of market attention recently as a possible candidate for another in July 1991. two years, cheering markets in London and Paris as well as Frankfurt.

Meanwhile, Hans Tietmeyer, vice president of the Bundesbank, said Friday that a recession was "not imminent" in Germany and that a rise in the Lombard rate was "not

under discussion right now."

Mr. Tietmeyer also said in a television interview that the Bundesbank was "not interested in a weaker dollar" and would reexamine German interest rate levels in a

couple of months.

The gap between German rates, now at their highest levels since World War II, and

German government bond prices surged 3/8 point and yields of long-dated bonds dipped below 8 percent for the first time in nearly a month following Mr. Tietmeyer's comments pointing toward a stabilization of rates and by the statistics indicating lower

Mr. Tietmeyer reiterated that the Bundes-bank had no currency targets and thus no intervention levels, adding that it had inter-intervention levels, adding that it had intervened with other banks this week due to disorderly" market conditions.

The Lombard rate, effectively the ceiling for commercial bank borrowing at the cen-tral bank, was left unchanged last month when the Bundesbank raised its more symbolic discount rate to 8.75 percent from 8

from a year earlier, the first year-on-year decline in two years.

Regarding interest rates, he said the July producer prices were also issued, Bundesbank would "review the situation in a showing a drop of 0.1 percent from June and

The likelihood of more stable German interest rates and inflation helped boost Frankfurt stocks as well as bonds and played a major role in market rallies in both London and Paris.

"That wholesale prices developed so fa-vorably surprises all of us," said Ulrich Beckmann, economist at Deutsche Bank, In Frankfurt, the DAX index rose 6.82 points, 10 1,547.80. The Financial Times-Stock Exchange 100-share index rose 38.8 points, while the CAC 40 index of French

stocks rose 1.81 percent.
(Renders, Bloomberg, AP, AFP)

**Forecast** July Report Fails To Dispel Gloom About Economy

U.S. Gain

In Output

**Outstrips** 

WASHINGTON - U.S. industrial production rose a greater-than-expected 0.4 percent in July, mainly because of increased activity at coal mines and electric utili-ties, the Federal Reserve Board said Friday, but there was weak-ness in key areas of manufacturing. The Fed said factories worked at

78.9 percent of capacity last month, up from 78.7 percent in June. The production rise was stronger than the 0.1 percent to 0.2 percent that had been expected, but it did not convince investors or analysts that the economy had broken out of its recent malaise.

Auto production declined in Juh. reflecting the two-week nationwide shuldown of General Motors Corp. factories. Other manufacturers

pc. -d little change in output.

The red revised its June data to show a 0.4 percent fall in production, earlier reported as a 0.3 percent decrease, although the capacity utilization rate was revised upwards to 78.7 percent from 78.5 percent.

"In July, output of coal mining rebounded after the June rail strike curtailed production, and output at electric utilities, which had been relatively weak in recent months, increased sharply," the Fed said. Relatively cool summer weather reduced demand for power,

"Output of consumer durable goods, which includes motor vehi-cles and appliances, declined for a second month in July," the central bank said, "Output of equipment fell again in July, owing mainly to curtailed production of motor vehicles and a further drop in defense and space equipment."

Computer production, however,

rose sharply.
The economy is not gaining

momentum — it is coasting to a stop," said Jack Albertine of Albertine Enterprises Inc. "The manufacturing sector, once the proud engine of growth in the American economy, is barely breathing.

In a separate report, the Com-

merce Department said businesses boosted inventories by 0.6 percent in June to the highest level in more than a year. Sales jumped 1.6 per-cent, the steepest gain since a 1.8 percent advance in April 1991. Inventories totaled a seasonally

adjusted \$833.4 billion, up from \$828.0 billion in May and the high-est since \$838.5 billion in February 1991. Sales totaled \$555.0 billion. seasonally adjusted, up from \$546.1 billion a month earlier.

It often is hard to tell if a buildup in inventories is voluntary. If it is, it could reflect optimism prompting businesses to replenish supplies in the face of expected demand.

But if involuntary, it could mean a lack of customers causing goods to pile up. (AP. Reuters, Bloomberg)

## Chrysler Turns to Fed To Salvage Bank Deal

By Doron P. Levin

New York Times Service DETROIT — A small oumber of banks from a 152-member worldwide consortium that lend to Chrysler Corp. are refusing to renew their loans, threatening a new ±6.8 billion loan package that the automaker says is crucial to its revitalization — so crucial that it has asked Alan Greenspan, chairman of the Federal Reserve Board, to intervene on its behalf.

The importance of the loan package to Chrysler's future and the danger posed by the reluctance of the banks were underscored last week when the automaker asked Mr. Greenspan to intercede with officials of the Bundesbank, Germany's central bank.

A spokesman for the Fed, however, declined to confirm whether Mr. Greenspan had done so.

Chryster officials who interted on a possessity said the outerwise.

Chrysler officials, who insisted on anonymity, said the automaker sought the Fed's influence with German central bankers to persuade a specific German bank, which they declined to identify, to continue its participation in the consortium.

This is the most critically important issue facing Chrysler at this moment, so the agreement had better get done, said Maryann Keller, automotive analyst for Furman Selz Inc. in New York.

She said Chrysler's operations were already handicapped, and would be hurt further, if Chrysler could not borrow enough to finance leasing, sales to daily rental fleets and purchases of its vehicles. Because of regulatory pressure to increase capital and losses from bad real estate loans, banks have been very selective about renewing credit lines to many long-standing corporate and individual custom

ers, even those who represent minimal risk.

Although Chrysler's finances have been shaky the last two years, the automaker's long-term prospects have improved dramatically with the recent introduction of several new acclaimed vehicle models, including the Jeep Grand Cherokee.

If the current agreement is not concluded, Chrysler could be forced to start new oegotiations with every bank in the consortium. That could lead to more defections, since several had wanted to withdraw but agreed to remain only if every other bank stayed.

## Texas Bank: Promise, Threat

HOUSTON - First City Bancorporation of Texas ACUSTON — Pars City Bancorporation of Texas announced a plan on Friday to raise more than \$400 million for a needed recapitalization without government assistance, but it warned that it regulators rejected its program, they might be forced to close the bank. The plan does not require Federal Deposit Insurance Corp. assistance; the agency contributed \$970 million of the \$1.5 billion that recapitalized First City in 1988.

Problem loans begin to overwhelm the company again about two years ago. It was on the auction block for six months, but no buyer could be found even with federal stop-loss guarantees for bidders.

About half the money for the recapitalization would come from the planned sale of 13 branches for an estimated \$210 million, leaving the bank with 62 offices.

About \$140 million more would be raised by renegotiating certain above-market leases and settling certain guarantees and other obligations to the FDIC. The bank also will try to raise \$100 million of capital through a private placement and a rights offering to existing shareholders.

First City said that although discussions have been held with relevant government agencies, investors, leaseholders and potential buyers, "no agreements have yet been reached with any parties and no assurance can be given the company will be successful in reaching such agreements."

A meeting will be held on Dec. 8 to allow sharehold-

ers to vote on the proposals.

First City also said it would not be able to retire a \$21.9 million debt issue as scheduled on Sept. 15. Under the plan, the company is seeking to postpone payment until Dec. 15. First City said it "contemplates payment in full on that date, assuming consummation of other elements of the plan." The company said it could not predict if debtholders would agree to the postponement. Ivan Wilson, the First City chairman, said recent

success in reducing problem assets and resolving law-suits would make it easier to raise capital.

Regulators have expressed concerns about the plan that the bank is addressing, the company said. It warned that if the plan was rejected, regulators could take action that would preclude it from consummating a capital transaction or "could adversely affect the company's ability to continue as a going concern."

The company also said it had an \$18.5 million loss

in the second quarter, the eighth consecutive quarterly deficit. But the loss was much narrower than the \$58.9 million shortfall in the second quarter of 1991, reflecting improvements in the bank's loan portfolio.

For the first half of the year, First City had a \$92.3 million loss, narrower than the \$130 million loss in the like 1991 period.

Since July 1991, First City, which has about \$9.5.5 billion in assets, has been looking for a bir ... among other banks or investor groups. First Ci', s 85 branches across the state are attractive, by; its problem loan portfolio, about \$600 million at the end of March, has turned away many p.osr.c.is.

Last week, First Union Corp. . Charlotte, North
Carolina, dropped plans to buy First City after a
detailed review of its finances. At least four other banks

have looked at First City' books but failed to reach a purchase arrangeme: with regulators.
The remaining act oidder for First City is Ronald

O. Perelman, chairm in of Revion Inc. in New York. But a deal with Mr. Perelman is unattractive because of the controversial, incrative deal with regulators through which he acquired First Gibraltar Corp., the largest savings and loan in Texas.

The bank plans a one-for-five reverse stock split and

will reclassify its preferred stock into common. The split and reclassification would result in 6.64 million new common shares. First City has 18.9 million shares outstanding. (Bloomberg, AP, UPI, Reuters) (Bloomberg, AP, UPI, Reuters)

Matsushita Takes Japan

On a Magic Carpet Ride

By Andrew Pollack

New York Times Service

getting pretty close.

Matsushita Electric Industrial Co., Japan's largest consumer-

electronics company, has introduced a carpet that has both a heater and stereo speakers built in. That allows a person sitting on the

Electric heating carpets are quite popular in Japan, where people tend to sit on the floor. Such carpets are similar to electric blankets. What Matsushita, known for its Panasonic brand, has done is to incorporate thin speakers into the four corners of the carpet. Either a

compact disk player or a stereo television set can be plugged in to

provide "surround sound." A controller box that is separate from the

carpet allows the user to adjust both the sound and temperature levels.

Matsushita is not expecting the "sound carpet" to fly off the shelves. It plans initially to make 500 a month. At that volume, the

product will not carry the Osaka-based company out of the current consumer-electronics industry slump, which has been caused by a weak world economy and the absence of hit products like the

videocassette recorder and camcorder.

The carpet, which measures about 36 square feet (3.2 square meters), will go on sale in October at a price of 150,000 yen (\$1,200).

carpet to be bathed in both warmth and sound at the same time.

TOKYO - This might not qualify as a true magic carpet, but it is

#### **ECONOMIC SCENE**

### **Clinton Fans Take Note:** No Easy Solution in Sight

By Peter Passell New Tork Times Service

EW YORK — You can help by putting a nice, positive interpretation on the fact that there are 200,000 jobs more created." President George Bush recently told reporters assembled to hear the White House's spin on the July employment figures.

But economists seem more inclined to view the small decline in joblessness, to 7.7 percent, as just the puddle at the bottom of a nearly empty glass. Many are hunkening down for a long, dry season in the labor market — one in which the growth in national output is barely sufficient to absorb the natural growth in the work force.

That, of course, is wretched news for Mr. Bush, who seems fated

to face the voters with the unemployment monkey firmly attached to his back. But slow re. "The real mystery is covery could also prove to be a political trap for a victorious Bill why unemployment

Clinton, who would enter office is not even higher' with a big jobs problem and few

weapons to fight it. As Mr. Bush reminds Americans, the recession is over. Why, then, are so many still feeling the pain? Why is unemployment close to the levels endured at this stage of recovery from the far more ferocious recession of 1981-82?

Robert J. Gordon, an economist at Northwestern University, looks to the late 1980s for the answer. While the recent recession was relatively shallow — output fell less than 2 percent — the upturn has been achingly gradual.

And the whole cycle came on the heels of two years of economic mobble. As a result current is bardly greater to any than it was in the

wobble. As a result, output is hardly greater today than it was in the last months of Ronald Reagan's reign.

last months of Ronald Reagan's reign.

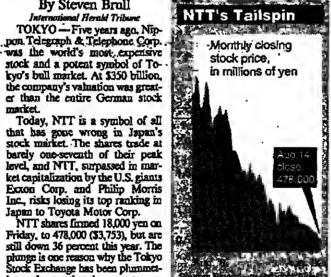
Mr. Gordon notes that in the postwar decades, the economy has had to grow at about 2.5 percent annually to stay ahead of the employment curve — I percent to absorb the growing numbers of workers, the rest to offset long-term gains in labor productivity. Thus by historical benchmarks, joblessness might have been expected to be approaching double digits by 1992. "The real mystery," Mr. Gordon concluded, "is why memployment isn't even higher."

While the White House is predicting a full percentage point decline in memployment by the end of 1993, Walter Cadette, an economist at Morgan Guaranty Trust Co., is among those who are far less sanguine.

far less sanguine.

Mr. Cadette invokes Okun'a Law, the economists' rule of thumb See SCENE, Page 9

NTT: Bear Market Benchmark By Steven Brall International Herald Tribune TOKYO - Five years ago, Nip-



ways and the cigarette monopoly.

comparison with similar companies overseas, Japanese brokers market-ed the issue aggressively to individ-uals. The stock market was boom-

ing, and buying NTT was like

ing, a descent that threatens to pro-long and deepen Japan's recession. With a weighting of about 2 per-cent in the Nikkei average, declines have been delayed. in NTT have a big impact on the broader market. The routing of its Moreover, government reluctance share price has also undermined to fully let go of NTT has hampered sentiment among individual inves-tors, the biggest group of NTT shareholders and a constituency the company's performance by pre-venting it from competing more aggressively with new entrants in the domestic telecommunications marseen as key to the market's recovery.

"Many first-time investors in eqket. "In theory, they're a private company," an analyst at UBS Phil-ips & Drew said. "In practice, uities got shafted and they're not going to come back easily," said Alan Bell, deputy head of research at Baring Securities (Japan) Ltd. they're still a public company, bu-reaucratic and inefficient."

Although the public offering of one-third of the shares of the former government monopoly between 1986 and 1988 raised tens of bubble economy that was to see billions of dollars for the govern-ment's deficit-ridden coffers, the Japanese stock and property prices soar to astronomical levels. In early subsequent performance of the company and its stock price has 1987, the shares hit a peak of 3.18 million yen. Although the price was absurd in

rvo's bull market. At \$350 billion.

proved an embarrassment.
Individuals have had their fingers burned and plans for additional share offerings of other govern-ment-owned companies, including parts of the former national rail-

**Eurocurrency Deposits** 

buying a piece of Japan Inc. Many novice investors reckoned that any share bought from the government

For a while, it looked too good to be true. The share price rose as cement relationships with NTT. which does none of its own manufacturing and is a major customer for many Japanese companies. Also, institutions trying to match the Nikkei index were compelled to add NTT to their portfolios.

Depressing prospects for profit growth sent NTT stock into a tailspin from 1987, however. It is a slide that has outlasted and outpaced the steady decline in the Nikkei, which at its close of 14,820.25 on Friday was down 62 percent from its peak at the end of 1989. This month, the share price has

plunged 22 percent, as individuals liquidated holdings to cover margin calls triggered by the broader market decline. Many also sold after the opening of NTT ownership to foreigners this month failed to attract much oew interest.

Most analysts say the share price has further to fall, noting that it stands at just above 50 times earnings, compared with an average of about 32 for the Tokyo market. "It's a reasonable value at 200,000 yen and worth buying at 150,000," said Jason James, strategist at James Capel.

Tomokazu Soijima, an analyst at Yamaichi Research Institute, reckons NTT's parent net profit will slide more than 31 percent in the year ending March 31, 1993, to less than 130 billion yen, worse than the

company's forecast of 141 billion.
The company's basic problem,
analysts say, is its legacy as a public entity and a strong degree of regu-lation that hinders its ability to raise telephone rates. NTT is saddled with a large and

See NTT, Page 11

**Inside Mexico** 

## Seoul Predicts More Investment

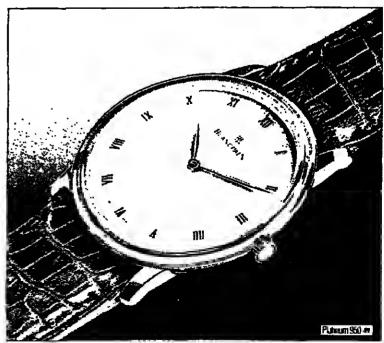
The Associated Press SEOUL - The North American Free Trade Agreement will encourage South Korean companies to invest more in Mexico, South Korean officials said Friday.

The Ministry of Trade and Industry said South Korean companies were likely to transfer their manufacturing facilities to Mexico to protect their market share in the United States, South Korea's largest market. South Korea fears the trade pact

reached Wednesday by the United States, Canada and Mexico, will hurt South Korea's exports to the U.S. market by erecting trade barriers against outsiders.

"South Korean companies are likely to invest heavily in Mexico to use it as an advancement post for exports to U.S. and Canadian markets," said Jang Ji Jong, a ministry

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#### **CURRENCY & INTEREST RATES**

### Aug. 14

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Dow Jones Averages

EUROPEAN FUTURES

# To Stock Market

meandered higher in light trading cutting, two inflationary effects that on Friday with a lift from a recov- bode poorly for debt securities.

#### N.Y. Stocks

shares, down from 185.70 million traded on Thursday.

"Bonds have rebounded from yesterday's Baker scare, and that's really the only story of the day." said Dale Tills, manager of institu-tional equities trading at Charles Schwab in San Francisco.

Key U.S. government securities er Inc., cut the price of its 25-were higher, with the new 30-year million-share offering Thursday as bond up 12/32, at 99 1/32, to yield it struggles to compete with better-ion of the bonds were auctioned at Lowe's Cos. was secood, tumbut the return surged to 7.38 percent after sale auction on the per-ception that Wall Street firms had about tax policies if President George Bush wins re-election.

James A. Baker 3d, Mr. Bush'e their loans, threatening a \$6.8 billion thief of staff, said lower tax rates loan package the automaker says is would be central to the Republican crucial to its revitalization. campaign. Bond investors figured

Figures on West German whole-Compiled by Our Staff From Dispatches NEW YORK - The dollar rose sale prices also eased concerns against the Deutsche mark on Fri- about German rates. Prices deday after comments from a clined 1.3 percent in July from June

Foreign Exchange participants avoided testing the 1 47-mark level ahead of the week-

and, traders said. The dollar ended at 1.4645 DM, after the Commerce Department off the session high of 1.4695 but still up from 1.4553 on Thursday. The yen strengthened, however,

bank vice president, said that "a meyer's comments may have Lombard rate rise isn't under dishelped the dollar Friday, but they cussion right now." He also said did little to narrow the large different little. the German central bank "isn't interested in a weak dollar."

Those remarks dampened speculation that the Bundesbank was readying an increase in its key Lombard rate, now 9.75 percent. Graham Beale, chief dealer at

**WORLD STOCK MARKETS** 

Compiled by Our Staff From Dispatches 12x cuts would stimulate growth and NEW YORK - Stock prices reduce funds available for deficit-

ring bond market.

The Dow Jones industrial average rose 15.40 points, to 3,328.67.

Advancing issues outnumbered decliners by an 11-6 ratio on the New York Stock Exchange, where vol-first half of August from 76.6 in July, but the index of consumer exume was a weak 166.18 million pectations rose to 70.2 from 67.6.

"A little careful reading of the Michigan numbers suggested the sit-uation isn't so bleak," he said. Computervision was the most active NYSE issue, closing at its offering price of 12 on the first day of trading. Computervision, suc-cessor to the ailing Prime Comput-

tion of the bonds were auctioned at a record-low yield of 7.29 percent.

Lowe's Cos. was second, tumbing 4½ to 18%. On Thursday, it reported profits below market ex-

pectations.
Chrysler was third, down ¼ at aid 100 much and on worries 20%. The New York Times reported a few in a 152-member consortium that lend to it are refusing to renew (Bloomberg, UPI)

## **Dollar Gets a Boost But Ends Below Highs**

Bundesbank official and a drop in and were down 0.9 percent from German wholesale prices eased July 1991. It was the first year-tofears of a further increase in Ger- year decline in two years. "We're at a critical time in Ger-The U.S. slipped off its highs in afternoon trading, though, after ures should help calm some fears that the Bundesbank will tighten

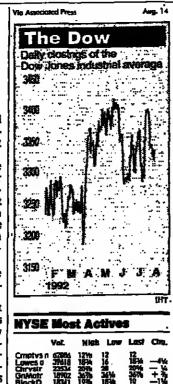
further," said Steven Bell, chief economist at Morgan Grenfell in London, Investors also bid up the dollar

the 0.1 percent rise economists had

The yen strengthened, nowever, pushing the dollar down to 125.97 yen from 126.52 Thursday.

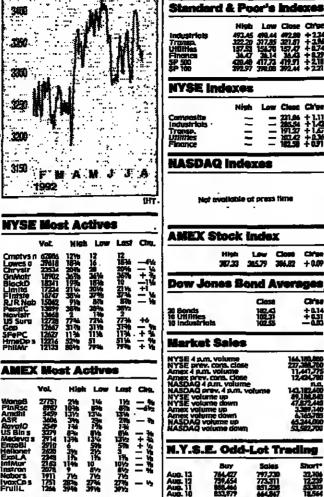
Hans Tietmeyer, the Bundesbearish on the dollar, Mr. Tietential between German and U.S. interest rates, said William Arnold, chief dealer at Chemical Bank.

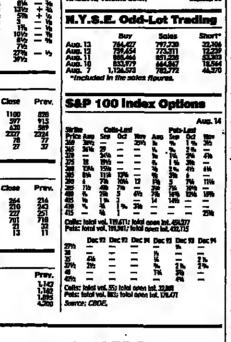
· The dollar also closed at 1.3210 Swiss francs and 4.9675 French "Mr. Tielmeyer's comments francs, up from 1.3080 and 4.9375 scared the more nervy bears," said on Thursday. The pound fell to \$1.9215 from \$1.9344.

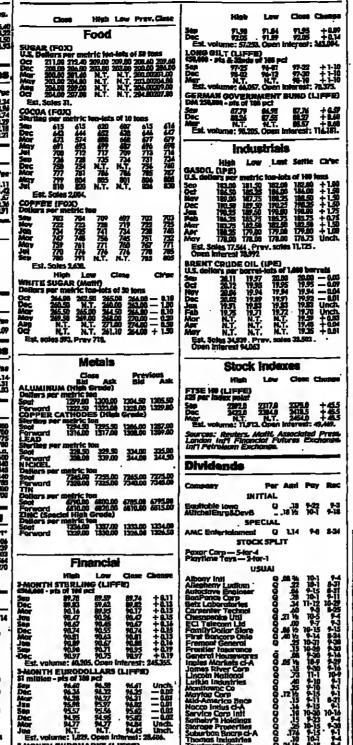


NYSE Diary

NASDAQ Diary







## U.S./AT THE CLOSE

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Unions at Daily News Ask for Delay

NEW YORK (Reuters) — Unions at the Daily News, after failing to unite behind a buyer, asked creditors on Friday to postpone the choice of a new owner until Monday while they continued negotiations.

The Daily News has published under bankruptcy protection since The Daily News has published under bankruptcy protection since December, one month after its owner, the publisher Robert Maxwell, died at sea and his global investment empire collapsed.

Citicorp Lowers Second-Quarter Net

NEW YORK (Renters) — Citicorp said Friday it had restated its second-quarter net income to \$143 million, down from \$171 million previously, to reflect a change in the valuation of mortgage-related assets. Citicorp said the change resulted from a bank regulatory examination of the U.S. mortgage business. Citicorp said management and auditors agreed the previously reported figures were consistent with Generally Accepted Accounting Principles, but the adjustment reflected the regulators' preference on the level of future prepayment of mortgages. tors' preference on the level of future prepayment of mortgages.

Primark to Acquire Data Company

MCLEAN, Virginia (Reuters) - Primark Corp. said Friday it would acquire all of the outstanding common stock of Datastream International Ltd. and its affiliates from Dam & Bradstreet Corp. for about \$191

Datastream, with revenue of \$94.6 million for the financial year ended Nov. 30, 1991, is a global provider of financial information to the securities and financial community and is headquartered in Britain.

## SA Holdings Sets Russian Ventures

PLANO, Texas (Bloomberg) — SA Holdings Inc. said Friday it had signed a letter of intent with the West Siberian Commercial Bank of Tyumen Oblast, Russia, to form joint companies to develop telecommunications services in the Tyumen Oblast territory. Financial details were not disclosed

North American Telecommunications Corp., a unit of SA Holdings.
will market its telecommunications service, called GlobalNet, to Russian businesses in the territory through the joint-venture companies.

#### For the Record

JWP Inc. said Friday that it took \$64.5 million in charges for first- and second-quarter earnings and that it had changed its financial report for the second quarter to reflect losses of \$48.6 million after previously reporting earnings of \$393,000. reporting earnings of \$393,000.

## Loral Wins LTV Bidding

NEW YORK — LTV Corp. has agreed to sell its missile and aircraft divisions for \$475 million, removing the largest remaining obstacle to its emergence from aix years of bankruptcy protection. Loral Corp. agreed to pay \$261 million for the missile unit, while Northrop Corp. joined with the Carlyle Group, an investment firm, to buy the aircraft unit for \$214 million.

The Loral group topped a \$440 million bid by Martin Marietta Corp. that had already won approval from LTV and several of its

major creditors.

After a long, costly and fractions bankruptcy case, LTV could now emerge as the nation's third-largest steel producer and a major supplier of oilfield equipment.

The sircraft division makes portions of both military and civilian aircraft, while the missile division supplies the U.S. Army with a rocket system and tactical missile system, both widely used during

The divisions accounted for about \$1.7 billion of the company's \$6

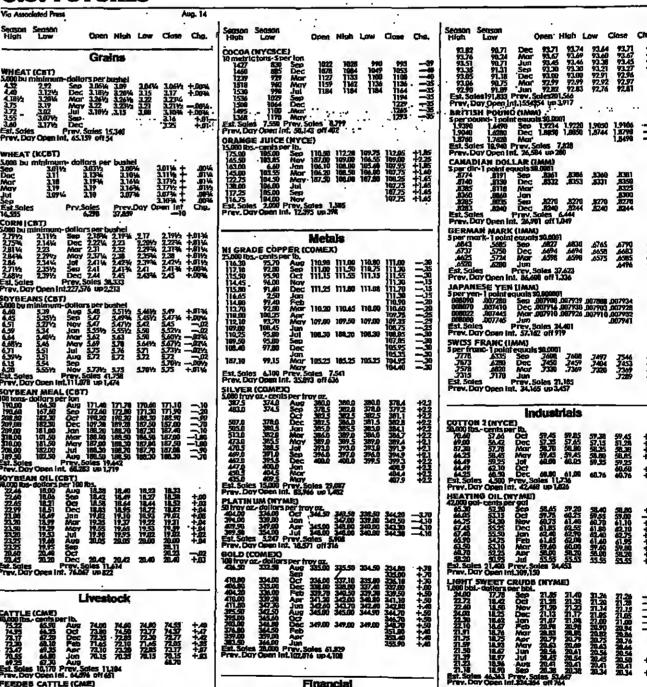
## Wang Loses 29% of Value

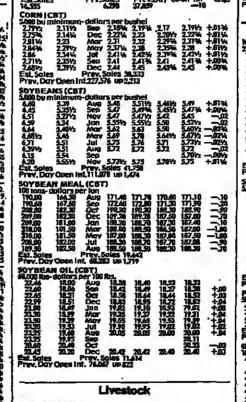
LOWELL, Massachusetts — Wang Laboratories Inc. Class B stock plunged more than 29 percent in active trading on Friday as the company missed its self-imposed deadline for reporting its fourth-quarter earnings. Wang previously said it would report earnings for the quarter ended June 30 in early August. On the American Stock Exchange, its Class B shares closed down 62.5 cents at \$1.50.

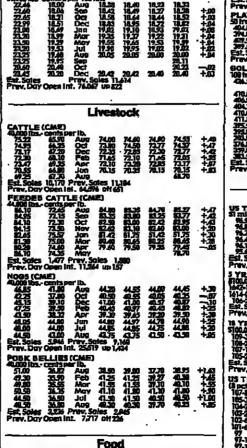
Wang's woes are primarily the result of declining sales. The company did not move fast enough to get out of the dedicated word processing business.

Rumors that Wang would file for bankruptcy protection began swirling after it was learned that the company paid employees on Wednesday this week, two days earlier than normal.

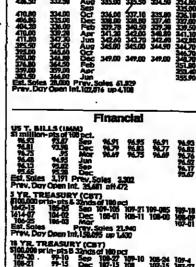
#### **U.S. FUTURES**

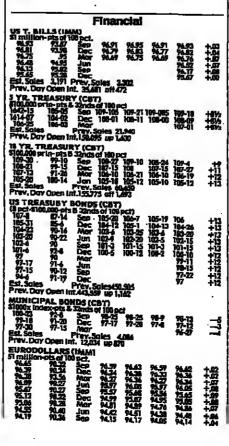


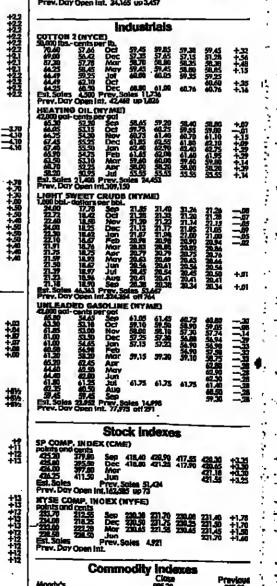


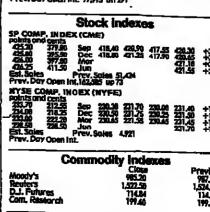


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# Italy Gets New Jolt From EFIM Default

aircraft maker Agusta and glass and aluminum interests.

In addition to asset sale pro-

ceeds, a decree on Thursday called

for the government to issue 4.5 tril-

lion lire of five-year bonds to cover

EFIM's debts. The bonds will bear micrest well below current market

levels, however, Interest will be set

at 4 percent on bonds denominated in European currency units and

7.25 percent on lire bonds. Five-

year government lira bonds now yield around 14.50 percent.

We are not happy with the sub-market coupon and don't want to

wait another five years," said one

banker who sits on a coordinating committee of EFIM's foreign lend-

ers, which was set up on Thursday.

a legal step that formally demands

repayment from the debtor and

Another banker on the coordi-

nating committee said there was no

talk yet of starting litigation to de-mand repayment or seeking to seize

measures to cut the budget deficit

by 30 trillion lire this year and to

from 759.20 Thursday. Key gov-connent bonds fell 0.20 point.

(Continued from first finance page)

Factoring in the expected addi-

tions to the work force, plus ongo-

ing productivity improvements, Mr. Cadette figures that the econo-

my would have to grow at a 45

percent rate simply to drive unem-ployment below 7 percent by the

cod of 1993. And hardly anybody is

forecasting a growth rate above 4

With hindsight, it is obvious that

by 1 point.

growth to reduce unemployment years.

gives protection to the creditors.

Declaring the loans in default is

Compiled by Our Staff From Disputches : LONDON — Foreign banks on Friday declared Italy's third-larg. est holding company in default on as much as 3.5 trillion lire (\$3.2 billion) of debts, further tarnishing the country's credit standing.

The bank action followed on the heels of a downgrading of Italy's credit rating late Thursday by Moody's Investors Service. The downgrading gave a jolt Fri-

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day to Italian financial markets, sending the Milan stock market to a new low for the year and pushing the lira and Italian bonds lower. The default declaration by banks on Ente Partecipazioni & Finanzia-

mento Industria Manifatturiera reflected their dissatisfaction with a government package to settle the conglowerate's 8.5 trillion line of debts, of which 3.5 billion is owed

The government put EFIM into liquidation last month and plans to sell off its assets, which include the

#### ING Rejects Chance to Add To BBL Stake

Compiled by Our Stuff From Dispatches AMSTERDAM -- Internationale Nederlanden Groep NV said Friday it had rejected an offer to add a 5.2 percent stake in Banque Bruxelles Lambert SA to its 10.03 percent holding, but the Dutch financial conglomerate said it still wants to raise its ownership in the Belgian bank.

ING would not say why it did not want to buy the shares offered by Unipar SpA at 3,800 Belgian francs (\$126.08) each. None of the members of the BBL shareholding syndicate, which holds 50.4 percent of the bank, have taken up the Italian holding company's offer, which is to expire Sunday. BBL fell 20 francs on Friday, to 3,430.

Buying the stake might have risked forcing ING to make a public takeover bid for BBL.

the market price resulted in a

(AFX, Bloomberg, Reuters)

## Economy Plan on Track, Russia Insists

By Celestine Bohlen

New York Times Service MOSCOW — Yegor T. Gaidar, the acting prime minister of Russia, insists that the government's economic program is still on track, despite mounting pressures from a powerful industrial lobby.

Mr. Gaidar, a 36-year-old economist, said in an interview that although compromises had been made with the industrial sector since the program began in January, they had not undercut the targets on inflation and deficit spending agreed on earlier this summer with the International Monetary Fund.

He described the rise of the industrial lob-by as not only inevitable but even necessary at this stage, yet he made it clear that its appetites for state credits would have to be kept in check if the program was to have a

chance to succeed.

He acknowledged that this would not be easy as the struggle to share Russia's scarce financial resources intensified.

"Of course, you do understand that it is a very dynamic social aituation in this com-try," he said, "and it is not always possible to achieve all the objectives the government would like because we have to consider politi-cal and social stability."

for getting inflation down to 9 percent by the end of the year and keeping the budget deficit to 5 percent of the gross national product.

Noting that the monthly inflation rate in July dropped to 10 percent, Mr. Gaidar said the government could still meet the goals, even after its recent move to grant another 500

million rubles in credits to ailing industries. "You do not make sensible policy if you never compromise," he said. "Then you achieve no goals at all. But these are our targets, and I don't think it is a healthy signal to change them."

More belt-tightening will be in order, Mr.

Gaidar said, and more tough negotiations like the ones last week that forced the chairman of the central bank, Viktor Gerashchenko, to back away from a proposal to cancel a trillion rubles in debt owed by stateowned companies.

The Gerashchenko plan would have been "very dangerous," Mr. Gaidar said, had it translated debts between companies, which are now only on paper, into real money, thus pumping another large chunk of cash into an

overheated economy.

But although his government was able to forestall this latest move by those who favor a

bailout, Mr. Gaidar made it clear that the struggle was not over, inside the government or outside.

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He also acknowledged differences between his original team of young, reform-minded economists and three new ministers appointed last spring with the blessing of the indus-

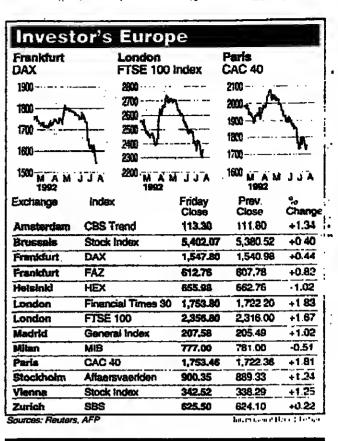
trial lobby.

But so far, he said, the three "industrialists" have not been able to produce the changes in

policy their supporters had hoped for.
With Arkadi N. Volsky, a former Communist Party official who now heads the Russian Union of Industrialists and Entrepreneurs, as their most prominent spokesman, managers of state enterprises have become more aggressive in applying public pressure on the government. On Wednesday, for example, the industrial lobby in Parliament proposed a freeze on prices, more loans to industries and higher

tariffs on imports. But Mr. Gaidar described this action as part of a process of checks and balances that natural for this stage of reforms.

"The problem is not, do you have pressure groups, but can you control them, or do they control government policy," he said. "I think, so far, we have managed to control these



#### The Italian Treasury issued a statement on Friday saying it was "available to meet the foreign banks as a sign of openness." Treasury Minister Piero Barneri also expressed surprise at the downgrading by Moody's, noting that it followed recent government

A bid would be required under Belgian law if the acquisition of a stake at a premium to change in control of the company. But Belgian law does not define control.

## **BP Defends Colombian Oil Interest**

Compiled by Our Staff From Dispatches LONDON - British Petroleum Co. on Friday sought to play down a smaller-than-expected estimate of oil reserves in its critical Cusiana field in Colombia, after news of the

estimate sent its stock tumbling.
Ecopetrol, Colombia's stateowned oil company, said late
Thursday that it estimated the reserves of the Cusiana field at 700 scrap the country's wage indexa-tion agreement, the scala mobile. In the markets, the MIB index of Milan stocks fell 1.28 percent, to 773. The market has fallen 29 permillion barrels of oil. cent since early February. The lira was fixed at 760.05 to

that in the short run it takes an extra 2 percentage points worth of the speculative boom of the Reagan

BP described Cusiana last year as being "world class," and industhe Deutsche mark in Milan, down try sources have said the company's own estimates range as high as 2 billion to 3 billion barrels. (Reuters, IHT) Shares in BP, which operates the

SCENE: Bush's Albatross Could as Well Be Clinton's

Mr. Bush's economists overdosed

Instead, they got a crisis in slow

motion that has left millions who

believed it was morning in America

either out of work or in fear of

losing the jobs that support their middle-class living standards.

Candidate Clinton's luck, how-

ever, could prove to be President

Clinton's daunting challenge. If the next president is inclined to put the

recession behind him by giving the shore up confidence with economy a quick fiscal kick, he will short-term interest rates.

truched a new low for the year of 183 pence (\$3.54), but recovered in line with a broad London rally to on results from only four test wells. close at 190, up 3 pence.

Shares in Triton Energy Co., which owns a 20 percent stake, fell 50 cents on Thursday and were off a further 87.5 cents late Friday at \$33.25 on the New York Stock Exchange. Shares in the French oil company Total SA, which owns a-40 percent stake, edged up 10 centimes, to 226.80 francs (\$45.73).

The Ecopetrol figures were the first official estimate for the Cusiana field, which lies 250 kilometers (156 miles) northeast of Bogota.

have plenty of support from the

left-center. "Hang the deficit," said

payoff.

Another seven wells are being drilled now in the area, with at least two more planned, he said. A BP official who asked not to he

identified said Ecopetrol acknowledged "there could be very much more" than 700 million barrels. BP does not plan to issue any reserve estimates of its own for Cu-

siana until the end of this year at the earliest, while Total has no plans to do so before early 1993. (AFP, AFX, Bloomberg)

### **EC Considers Keeping**

**Duty on Japan Copiers** 

Reuters BRUSSELS - The EC Commis-

Mr. Gordon. "Full speed ahead on spending with a long-term growth sion said Friday it was reviewing whether to maintain anti-dumping duties on Japanese photocopiers.

traditional fiscal policy would work. The spectacle of a Democratic president and Congress undoing the deficit reduction agreement of a 20 percent description agreement. the deficit reduction agreement Japanese producers to drop their could spook investors, driving up prices. The duties apply to copiers long-term capital costs. And it produced by Canon Inc., Fuji Xecould lead to a run on the dollar, rox Co., Matsushita Electric Inc. Ph. forcing the Federal Reserve to trial Co., Minolta Camera Co., Rishore up confidence with higher coh Co., Sanyo Electric Co., Sharp short-term interest rates.

#### **Britain Posts** Sharp Decline In Retail Prices

LONDON - British retail prices fell 0.4 percent in July from June, the largest monthly decline in 25 years, data re-leased Friday showed.

The retail price index rose 3.7 percent in July from a year earlier, down from the 3.9 percent rise recorded in June.

The fall in inflation offered fresh ammunition to the government as it battles to convince skeptics that its tough economic policies are working. The underlying inflation

rate, which strips out changes in mortgage rates, fell to 4.4 percent from 4.8 percent. The Treasury hailed the data as another step toward

the "permanent defeat of inflation." But some private economists, while welcoming the statistics, cautioned that inflation was declining only be-cause the recession was forc-

ing businesses to slash prices. The main contributions to the drop were sharp cuts in seasonal food prices and discounts on clothing, footwear and some household goods.

#### Very briefly:

 A Statoil A/S executive was arrested Thursday on corruption charges. the Norwegian police said; also, two executives with the German steel producer Mannesmann AG were detained in connection with alleged bribes paid to Statoil, Norway's state oil company.

Prima Inmobiliária of Spain owes Banco Central Hispanoamericano o billion pesetas (\$64.5 million) and owes the state-controlled bank Argen-

tária about 3 billion pesetas, spokesmen for the banks said. Banco Bibao Vizcaya SA is considering selling some of its 73 percent stake in the Spanish soft drinks company Gropo Kas to Pepsico Inc. of the

 Dutch retail sales rose 2.8 percent in the first half of 1992 from a year earlier, according to provisional figures.

 Unigate PLC said it sold its British exhibition services unit, Giltspur International Ltd., to P&O Exhibition Services Ltd., a division of Peninsular & Oriental Steam Navigation Co.

• The EC Commission has opened a first-stage inquiry into Allianz AG's acquisition of Deutsche Krankenversicherung AG; the purchase was via a share exchange with Münchener Rückversicherungs-Gesellschaft AG.

Dutch auto industry sales fell at annual rates of 11.9 percent in May in volume terms and 8 percent in value terms as prices rose by an average 4.3

#### Swiss Watch Exports Up in First Half AFP-Exiel News

BIEL, Switzerland — Swiss watch exports rose 11.9 percent, to 3.54 billion Swiss francs (\$2.68 billion), in the first half from a year earlier, the

Swiss Watch Industry Association said. Watch exports accounted for 7.5 percent of total Swiss exports in the period, up from 7.2 percent a year earlier.

The association said it expected "satisfactory" developments until the end of 1992, but noted that a "vulnerable" world economy could have a

negative impact on the industry. The association said exports to Taiwan recorded the largest growth,

rising 78 percent, to 106.2 million francs.

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Friday's Closing
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Outside of Hindustan and Premier, the only carmaker of any consequence in this nation of 870 million people is government-owned Maruti Udyog Ltd. Suzuki Motor Co., which has been working with Maruti Udyog since it began making cars in 1983, recently increased its stake to 50 percent.

Foreign Carmakers Deal in India

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BOMBAY — Foreign automakers are rushing

into tie-ups with Indian companies in a bid to take advantage of the liberalization of India's economy.

General Motors Corp. has entered a planned \$266 million joint venture with Hindustan Motors.

the country's largest automaker, which belongs to

Pengeot SA and Fiat SpA are talking to Premier Antomobiles Ltd., India's second-largest carmak-

er, about working on a new model.

Honda Motor Co. has a pending memorandum

of understanding to manufacture cars with Tata
Engineering & Locomotive Co., while Mitsubishi

Corp. has proposed a tie-up with Eicher Motors.

And Bayerische Motoren Werke AG is exploring a collaborative deal with Raunaq Singh group, which already imports BMWs into India.

What attracts the big names is the promise of a growing market, which so far is largely untapped.

Friday's Closing
Tables include the nationwide prices up to
the closing on Weil Street and do not reflect
ate traces elsewhere. Via The Associated Pres

the giant Birla group.

There's also a skilled, cheap work force. The Korean industry is looking out for potential areas owing to growing labor costs, which are rendering several units in Korea uncompetitive," said Choong Seung Ahn, Hyundai's senior executive vice president, on a recent visit to India.

■ Investment Reports Boost Stocks

Indian stocks railied Friday following reports the government is considering measures to ease foreign investment in the capital markets, Bloomberg Business ness News reported from New Delhi. The Bombay stock index jumped 98.74 points, to 2.777.57. The national index rose 35.72, to 1,233.01.

## **Taiwan Aids China Bank Ties**

Compiled by Our Staff From Dispatches
TAIPEI — Taiwan on Friday unveiled a set of draft

rules allowing the overseas branches of local banks to-deal with Chinese banks.

The regulations will allow overseas branches of Taiwan banks to develop business ties with Chinese companies, financial institutions and their branches abroad, said Lee Chung-ying, Taiwan's vice finance minister.

Seven types of business — deposit services, remit-tances, letters of credit, foreign-exchange settlements, payments and related services -- will be permitted in the oear future, Mr. Lee said.

The overseas branches, however, will still be banned from providing loans to Chinese enterprises or financial institutions, he said. At present, Taiwan banks can only deal with Chi-

nese imancial institutions through foreign banks.

Mr. Lee said the changes would assist the flow of funds between the two sides and make it easier for Taiwan banks to profit from the rapid growth of trade

Taiwan will continue to ban its banks from setting

np branches inside China. But Taiwan institutions will be encouraged to set up branches to handle China business in third-party areas such as Hong Kong, officials at the Monetary Affairs Bureau said.

The regulations will go into effect later this year or early in 1993 after approval by the cabinet's Mainland Affairs Council, which decides policy toward China, the officials said

Taiwan's Nationalist government, which lost the Chinese civil war in 1949, still restricts contact with China, but economic ties to the mainland have boomed since the tate 1980s.

Two-way trade through Hong Kong surged to a record \$5.8 billion last year from \$4 billion in 1990. Taiwan businessmen have invested well over \$3 billion

Taiwan officials have expressed concern over the accelerating flow of capital to China. Taiwan's net capital outflow in the first quarter of 1992 jumped to \$1.2 billion from \$550 million a year earlier, and economists say much of the money went to China.

# Hong Kong Sheds Light On Allied Investigation

Kong government revealed Friday exchange to lift the suspension in

HONG KONG - The Hong mission said it would ask the stock Kong government revealed Friday exchange to lift the suspension in trading of the five companies and Group Ltd. centers around asset shuffling among affiliated companies and stock transactions by the group involving its various units.

The government appointed Nicholas Allen of the Coopers & Lybrand accounting firm to investigate Allied Group and four affiliated companies: Allied Properties (Hong accuisitions of assets, loans and

companies: Allied Properties (Hong acquisitions of assets, loans and Kong) Ltd., Crusader Holdings Ltd. guarantees entered into by the comparagon Holdings Ltd. and Wai Paragon Holdings Ltd. and Wai Yick Ltd., a spokesman said.

Allied Group, the flagship com-pany of Lee Ming Tee, has interests group dealing in shares of affiliated in real estate, manufacturing and companies, including the five other the food industry.

### Hyundai Official Is Fined

SEOUL - A son of the founder of South Korea's giant Hyundai group was given a three-year suspended jail sentence and fined \$15 million on Friday for tax evasion.

Prosecutors had demanded a six-year jail term for Chung Mong Hun, 44, vice chairman of the shipping division Hyundai Merchant Marine, who was found guilty of evading about 5.8 billion won (\$7.3 million) in taxes.

The Hyundai group has accused the government of President Roh Tae Woo of harassment. The group's founder, Chung Ju Yung, a longtime critic of the Roh administration, launched a political challenge earlier this year by starting his own party.

In November, authorities imposed tax penalties of 136.1 billion won on the elder Chung, his family and several Hyundai units.



#### Very briefly:

Singer Sewing Machine Co. of the United States and Semi-Tech Global Ltd. of Hong Kong have agreed to set up a joint venture with Shanghai Yah Chong Sewing Machine Co. to manufacture sewing machines in Shanghai; Singer will hold a controlling stake of 70 percent.

 Taiwan lowered its forecast of gross national product growth to 6.42 percent in 1992 from a prediction of 6.93 percent made in May, citing a slowdown in exports caused by the weak global economy,

· China and Singapore held talks Friday on trade, investment and economic cooperation, the latest in a series of visits in recent months by Chinese officials studying Singapore financial institutions.

 Rover Japan Ltd., a unit of British Aerospace PLC, confirmed it would no longer distribute PSA Peugeot-Citroen vehicles so that it could concentrate on developing its own.

 Nikko Securities Co. said it planned to set up an investment advisory joint venture with a unit of Wells Fargo & Co. Japan's industrial production in June rose 2.5 percent from May, up

from a preliminary estimate of 2.1 percent, Thailand's official reserves dropped for the first time in several years, slipping \$500 million to \$20.t billion at the end of July because of a

slowing in credit demand. • The Philippines' trade deficit widened 24 percent in the first half, to \$2.14 hillion, because of slow export growth, the government said.

 Hong Leong Finance posted oet profit of 17.47 million Hong Kong dollars (\$10.85 million) in the first half of 1992, up 37 percent. · President Fidel V. Ramos of the Philippines approved two energprojects costing 1.47 billion pesos (\$58.6 million) to alleviate a severe

power shortage, bringing the number of such projects to eight. Olympia Industries Bld. said it had agreed to buy Lotteries Corp., which operates a lottery in Sabah state on the island of Borneo, for 520 million ringgit (\$208 million).

## NTT: Riches-to-Rags Stock Depresses Tokyo Market

trimmed easily given Japan's reluc-tance to lay off employees. A host of new carriers have been bringing down rates on long-distance tele-phone calls, a locrative market that NTT relied on to offset losses on local calls, which at 10 yen for three

but the government is unlikely to act until 1994 at the earliest, if then.

Even if local rates were raised, it is not clear NTT's earnings would improve to a commensurate degree, because of government pressure to keep capital investment high. The gains in Japan.

NTT wants to raise local rates and the access charges that long-

(Continued from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page) distance carriers pay for local contained from first finance page from first first finance page from first finance page from first these investments as strategic to the nation's economic development.
"There's no getting around it,"
Mr. Bell said. "NTT's a ntility. And

utilities are oo growth companies." Nikkei Turns Up

Prices inched higher on the Tokyo Stock Exchange on Friday,

yen, or 0.35 percent, to 14,820.25. Traders attributed the gain to short-covering following the heavy selling in recent weeks. The average had lost 1,215.47 yen, or 7.6 per-

a boost, said Keiichi Sato, an analyst with Wako Securities Co.

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## FIRST COLUMN

## **How About** Free Trade In Funds?

American investors. At present, they have to deal with an almost intolerable set of financial conditions, unique among financially developed countries. The situation brings to mind the miserable state of giant panda bears locked up in a zoo and unable or unwilling to mate before the gaze of the spectators. To be an American investor is to be constantly watched by the curious eyes of many, but

never in have a really good time.

Non-U.S. nationals will sympathize with
American readers who find themselves attracted by some neat new fund exploiting an interesting industrial or geographic theme, registered in a tax-privileged location and offered by some highly reputable non-U.S. bank. The sympathy is required because seven times out of 10 U.S. nationals are barred from investing in such funds. Often, the fund prospectus will specifically state that the investment is not open to American citizens. Sometimes the subscription forms are not so explicit. But the point in either case is the same: Unless the fund has been registered with and approved by the SEC, would-be U.S. investors will have a choice between not investing, and lying about their nationality.

But all this is, in theory at least, set to

change. The division of investment management of the SEC has come forward with proposals that, if implemented, would dismantle the barriers to cross-border sales of investment company shares. In other words, properly regulated foreign funds may soon be available in American nationals as they are to the citizens of so many other coun-

Don't start cheering yet, bowever. The intention is good, but there's a long way to go before the goal can be realized. The prime test that would allow foreign companies ac-cess to the U.S. markets would be that the foreign company be regulated in a country that provides substantially equivalent inves-

So far, so good. The fund industry has had its share of embarrassments, but has been nothing recently to equal the international shame of the BCCI banking affair. So substantially equivalent investor protection might seem a relatively easy criterion to

The next burdle, that the entrance of such companies be in the public interest, offers more scope for flexible interpretation. At the very least this would entail the SEC entering information-exchange agreements with the relevant regulatory authorities. Cynics would say it offers protectionists a weapon to beat off foreign competition.

The rule would apply only to companies primarily investing in non-U.S. securities. But this area is becoming more competitive as U.S. investors sensibly diversify into international stocks and bonds -- American shares now account for less than 40 percent with roughly twice that percentage 20 years ago. If the protectionists win out, it will be a sad day for the idea of choice. Home-grown advice is good, but should finding foreign financial services be as difficult as buying a bottle of Italian wine in France? M.B.

## Germany Loosens Up A Staid Debt Market

By Karina Robinson

NVESTORS are about to be offered a much larger choice of corporate issuers in the Deutsche mark debt markets following a major liberalization of

The decision to free up the markets ahead of the European Community's 1993 deadline is part of the German campaign to make Frankfurt the financial center of Europe by

giving a much needed boost to mark-denominated corporate finance.

Foreign corporations, which had found this kind of financing overpriced and excessively complicated, are the main beneficiaries — along with investors who want an income stream in this currency. A number of corporations will be issuing commercial paper with maturities of under one year. Longer-term notes with two-to five-year maturities are notes with two-to hive-year maturities are notes with two-to-based two-to-lives are notes.

ties are also expected to be popular.

Corporate Eurobonds with maturities of five years and longer also should benefit, although they are expected to come into their own until 1993. This is been seed German contral sovernment borrowing is concentrate. central government borrowing is concentrat-ed in the second half of the year, crowding out private borrowers.

The mark's role as an international currency is part of what makes the liberalization so important. This is especially true following the Danish rejection of the Maastricht treaty, which sent investors flocking to the mark from other European currencies, and especially from the European Currency Unit, the symbol of European monetary union. Indeed, the sudden unwillingness to hold Ecus caused a virtual one-day shutdown of the Ecu Eurobond market in late July. For the moment, the mark reigns supreme as the European currency.

The changes are also timely because they come at a time when interest rates on Deutsche mark debt are at or near historic highs, and the next big move in rates is expected to be lower. That would be a boon for bondholders because bond prices rise as rates

"Returns in the DM market have been in the upper echelons of returns in Europeans markets," said Klaus Baader at Union Bank of Switzerland. "There is little indication that there will be big moves soon but in the fourth quarter of the year markets will dis-count lower interest rates from the Bundesbank. The market will continue to rally over the next year."

The return on mark bonds in the first six months of this year was 4.52 percent, com-pared with 2.52 percent for French franc bonds and 1.32 percent for Italian lira bonds, all in local currency terms.

For private investors, the most important, liberalization was to allow issuers of mark-denominated Eurobonds to adopt procedures that are commonplace in most other currencies. The Bundesbank has dropped requirements that forced Euromark bonds to be listed on a German exchange, subject to German law, cleared through the domestic German clearing system and to use a German bank as paying agent.

Those changes will reduce administrative

hassle in the Eurobond market, where the majority of issues are listed in Luxembourg or London, governed by English law and cleared through Euroclear or Cedel. The changes also mean a large drop in costs. One U.S. investment bank estimated they would

\$68,000) from the average cost of issuing mark-denominated bonds, which currently runs some 300,000 DM.

To issue DM bonds was a pain due to

particular fee structures, the need to go through a German bank and German law, and having to list there," said Edward Vil-liers, vice president of Chemical Investment Bank Ltd. in London.

Although the lower costs should attract more borrowers, an increase in corporate issuers could widen interest-rate differenissuers could widen interest-rate differentials. A current five-year issue for Mobil Oil (Canada), rated Aa2 by Moody's Investors Service, trades at a yield of 8.65 percent, while comparable German government debt yields 8.46 percent. The yield difference of just 19 basis points is a relatively small margin over the government benchmark, bankers say.

The German domestic bond market is the

The German domestic bond market is the third-largest in the world at 1.675 trillion DM (\$1.14 trillion) at the end of 1991. The Euromark sector has accounted for about 13 percent of all outstanding mark-denominated bonds since the beginning of the 1980s, according to Moody's.

The changes also promise to revitalize the

narket for short-term DM debt, although for the moment the only investors who stand to benefit are big institutional investors.

The mark-denominated commercial paper market began only a year and a half ago, and the amount of debt outstanding has risen to about 15 billion DM (\$10.2 billion). But only 10 of the 46 issuers are foreign corporations be domiciled in Germany. This rule forced the French carmaker Pengeot to set up a German company solely to issue commercial paper, an expensive and time-consuming ex-

This requirement has now been dropped as part of the liberalizations, and market participants are looking for a spate of new

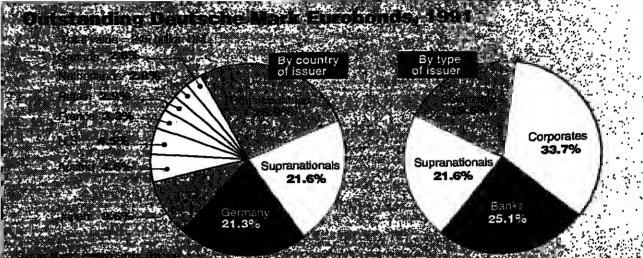
The market still faces two hurdles, however. Banks, which would be prime candidates to issue commercial paper, are effectively barred from the market by a Bundesbank requirement to deposit 5 percent of any short-term mark-denominated financing in a noninterest-bearing account at the central bank. Those deposits are used as an instrument of monetary control, which the Bundesbank guards jealously—especially in the current climate, with the monetary supply growing faster than its goal for the year.

Germany also lacks money market funds, which would be natural buyers of markdenominated commercial paper. The ban is part of the current cozy system that leaves investors with few alternatives to savings accounts, and assures banks of relatively cheap funds.

Nevertheless, Germany is expected to allow banks to issue commercial paper and investors to buy money funds to come into line with EC regulations. A commercial paper expert at one U.S. bank predicted that the two bans would be removed in late 1993 or 1994

The market for mark-denominated medium-term notes, a "nothing market till the changes," according to one banker, also appears set for a boom. In fact, the changes that came into force on Aug. I have already

**Publishing Stocks** Performance



## A Surprise Maastricht Hedge: Denmark



#### New economic measures should help Tokyo stocks

Hirohiko Okumura, chief economist. Nomura Research Institute, Tokyo

It seems highly likely that we will see some significant steps to boost the Japanese economy during August and September. These moves should also prove effective in helping

the Japanese stock markets to bottom out. On the fiscal front, we expect a surge in the supply of funds from the central government's fiscal investment and loan program to support the leading of governmental finan-cial institutions as well as investment by public corporations. Second, a supplementary budget is likely to focus on mereasing public investment and reducing investment taxes. And third, local governments can be expected to step up their public investment

with support from the central government.
On the monetary front, the Bank of Japan has already reduced its discount rate to 3.25 percent from 3.75 percent on July 27. The pace of growth of the money supply remains extremely sluggish, however, and so we ex-pect to see a further reduction of short-term money market rates and steps to stimulate lending by private-sector banks.

Other measures are expected to try to revitalize the real estate market. If financial institutions are to clear nonperforming loans from their books, some sort of action must be taken to facilitate the liquidation of loan collateral held in the form of land. If the public sector were to adopt measures for the purchase of land under these circumstances, it would do much to ease the current mood anxiety in the markets.

Selected experts in economics and inv ment give their opinions, month by month, o the outlook for the world's major economies currencies and financial markets.

#### Outlook



The highest-yielding ERM currency with little devaluation risk is the Danish krone.

Gerald Holtham, chief international economist, Lehman Brothers, London

My recommendation last time was to be long Euroyen, betting that Japanese interest rates would fall, and to be in Canadian bonds hedged into Italian lira. So far so good, but I would not run the lira position past Sept. 20, when the French vote on the Maastricht treaty. I guess they will vote yes, but a recent opinion poll showing just 57 percent in favor

was too tight for comfort.

If the French should vote no, nothing is more sure than a run on both the lira and the pound. Both governments would want to hold their existing parities, but would they be ready to raise interest rates to do so? I actually think they would, but it's not much better than even money. Why take the risk? Ironically given Denmark's rejection of Maastricht, the highest-yielding currency in the exchange-rate mechanism with no significant risk of a devaluation, irrespective of how

the French vote, is the Danish krone. Switch from lira into krone at this point. Canada's is still as good a bond market to be in as any other, and being out of equities just now still looks right.



U.S. earnings growth in the second half of and into 1993 will support the stock market.

Nigel Cuming, senior investment manager, Anz Grindlays Bank (Jersey)

Worldwide economic growth continues to be disappointing, and the pressure for interest rates to decline has not yet abated except in Germany. Bond markets have benefited from this environment and should continue to see fundamental support while inflation does not represent a threat.

Among equity markets, we maintain our view that U.S. carnings growth in the second half of this year and into 1993 will support the market. Investment should focus on companies with good earnings visibility. They will outperform even if economic and political influences prove to be negative.

Japanese equity investors should concen-trate on companies with exposure to export markets, which will recover earlier than Japan. Otherwise, investors should look for sciected domestic companies that will gain from the fiscal and monetary stimulus likely in the second half of the in the second half of the year.

In Germany, a current price/earnings multiple of around 16 remains expensive, suggesting that we may not see outperformance until the Bundesbank begins to case mone-tary policy toward the end of the year. In the meantime, we recommend that investors fo-cus on the more defensive domestic stocks and on the financial sector, which has underperformed recently.

The British market may find progress difficult short of clear evidence of economic re-covery toward the end of the third quarter.

## No 1992 Boon for Europe's Publishers roughly 20 percent from their May peaks and are trading at levels last seen in December and January.

#### By William Ellington

HARE prices of several European publishers are near their lows for the year. Why? Apart from the general malaise affecting European markets, analysts say it has become apparent that the European Com-munity's transition to free trade in goods and services next year will not be accompanied by a surge in

cross-border advertising.
Indeed, share prices of publishers that depend heavily on advertising revenue have been depressed in relation tn other publishers. For instance, the stock prices of Reed International of Britain and VNU of the Netherlands have fallen



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#### Stock prices in local currency. Delity closings in 1982 the visit days The British and Dutch publishers get about 40 and 60 percent of their total revenue from advertising, re-In contrast, share prices of scien-tific, professional and technical publishers such as Elsevier and Wolters Kluwer, both of the Netherlands, have performed better be-cause they obtain much of their revenue from sales of their publications rather than the advertising content. Wolters Kluwer is trading just below its recent highs and is up some 15 percent for the year, while Elsevier is up slightly for the year but off about 10 percent from its According to an analyst at Van Meer James Capel in Amsterdam, publishers are Jacing a sharp drop in personnel advertising as well as display adds. In the Netherlands, advertising in general fell 7 percent in the first half.

Tim Rothwell, a publishing analyst at Barclays de Zoete Wedd Securities Ltd., says advertising tends to track the performance of the economy. He reckons that as long as Europe's economy remains weak, the outlook for stocks of Endoesn't expect advertising as a per- creasing number of media outlets cent of gross domestic product to return to the lofty proportion of around 1.5 percent that prevailed ropean publishers will remain relatively unfavorable. Moreover, he in much of the 1980s.

Although economic weakness has been evident for some time, analysts previously had counted on 1992 being a banner year for adver-tising on the grounds that Europe's single market would encourage companies into greater cross-border marketing efforts.

Bnt Fric de Bellaigne, a publishing analyst at stockbroker Pannure Gordon, says companies haven't had much success in using the same advertising in different countries. different markets and consumer

Publishing analysts also say that the diversification of large European publishers into television, satellite and cable television runs a risk of fragmenting markets rather than unifying them.
"What we are seeing is an in-

for the same amount of advertising expenditure," Mr. Rothwell said. In recent years, print publishers such as Bertelsmann of Germany, VNU, Hachette of France, and Pearson of Britain have branched into television.

"A growing proportion of reve-nue will be taken by the visual media," Lord Blakeman, chairman and chief executive of Pearson, said in outlining strategy in this year's annual report,

Whether this transition from print to television will work well remains to be seen. Hachette found the transition difficult when it had "Ads have to be modified to fit to close La Cinq, a French TV station, at the start of this year. .. However, News Corp., the Aus-

tralian media conglomerate with large publishing interests in Britain, recently reported that it is approaching the break-even point with its British Sky Broadcasting venture, in which Pearson has a 16

## Growth Is Limited, but There Are Perks in Percs

nancial creature, Percs, or preferred equity redemption cumulative stock, is to be offered to investors by Chibank. Morgan, Stanley & Co., which invented this newest shade in the equity investment spectrum a while ago and has seen it come increasingly into vogue, will head the underwriting syndicate for the issue, for which neither a date nor a pricing structure has yet been established.

Exactly what is a Percs (yes, it's singular), and what are its possible benefits or drawbacks for investors in comparison to more

conventional forms of equity?

Percs is, in essence, a hybrid stock: Part convertible preferred, and, in a sense, part ontion. Sold at the same price as the issuer's common, it comes with an expiration date, typically three years from the issue date, at which time it must be converted into com-

The call price is established at issue; it is typically 30 percent to 45 percent higher than the issue price. Should the issuer's common stock rise above the call price by maturity, Percs investors would then receive less than one share of common per share of

RELATIVELY new kind of fi- Percs. The issuer, moreover, can call in the

securities at any time.

In return for limiting Percs investors' ability to share in the common stock's gains, and for the right to redeem the securities before maturity, the Percs pays a heavy dividend, typically with a yield of between 7 and 10

To illustrate how a Percs works, let's say that XYZ Corp. issues Percs at \$20 per share with a call price of \$28. If, at maturity, XYZ's common is at \$28 or less, the Percs will be converted to common on a one-forone basis. But if XYZ's common is at, say, \$35 at maturity, investors will receive only 8/10 of a common share (the call price divided by the common price) for every Perc share. Thus, in the above scenario, an inves-tor with 1,000 shares of Percs would receive

common price has fallen to, say, \$15 at the Percs' maturity date, investors will still receive 1,000 shares each, but they'll be worth \$15,000, not the \$20,000 originally paid.

If a Percs issuer decides to call the securi-

only 800 common shares.
Although access to upside potential is limited, investors bear the full brunt of downside risk. If, in the case of XYZ Corp., the

ties before mainrity, it is typically obliged to pay investors the call price plus a premium whose degree would be specified at the issue Experts say that Peres appeals most be dividend-hungry investors. It offers an attractive yield along with some the second of the contractive yield along with some time. dividend-hungry investors. It offers an antractive yield along with some upside potential," said Arthur Soter, banking analyst and Morgan Stanley in New York. "In these traces as low as they are

that's an attractive security." But those bearish on Peres say the hig yield isn't enough compensation for what th investor gives up. "If you think the commo." is going to do very well, you'd be better of buying that," said another New York equit analyst who insisted on anonymity. On could also make a case that convention. convertible preferreds, or even straight pre ferreds would be a better instrument be cause, with no time limit, they would at lea: continue to pay dividends at a relatively hig

Citibank is the first banking corporation to make Percs issues, which have been of fered before by non-financial institution such as General Motors Corp., K ma Corp., and Texas Instruments Inc. Percs typically publicly traded.

fixed rate."

By Rupert Bruce

O you want to live like king? That kind of lifestyle still doesn't come cheap, but it's a lot less expensive than it was, thanks to the sharp decline in the huxury end of the British real estate market. It seems that nowadays an Englishman's home, particularly if that home actually is a castle, is his wasting asset.

Herstmonceaux Castle, a huge Sassex fortification built in 1441, is an extreme example. Two years after its sale for more than £20 million (\$38 million) failed to be completed, it is back on the market at £15 million. Add to that a reputed fall of 50 percent in the price of hunting and fishing estates in the last year and it seems the value of Britain's heritage is falling fast.
But it is falling from a high level.
At the tail end of the 1980s boom,

money from all over the world was chasing castles and sporting es-tates. Yolande Barnes, head of residential research at Savills, the upmarket London realtor, said: think the fashion for this sort of property may have been the same sort of thing that made the fine art market so popular when lots of new wealth was being created. Quite simply the Scottish sporting estate was a trophy to have alongside a house in the south of France and an

apartment in Manhattan." The peak was in 1989 and 1990. when prices in excess of £1 million were paid for some of Scotland's large but remote castles. Sporting estates, too, were fetching sums that looked ludicrous compared with sale prices only a few years earlier.

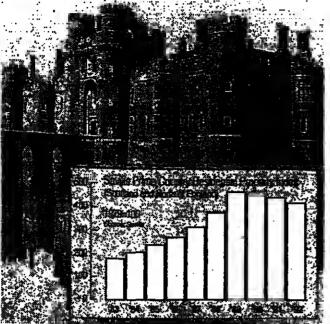
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Herstmonceaux is an extreme example partly because it is very large and based in the south of England where property rose - and then fell - more than in other districts. Also, local authorities have restricted the type of development that hotel, but also, it seems, want

somewhere beautiful to live.

can be carried out since 1990. The more common, smaller castle was oever subject to quite such eas of the market is that of ruined falling more gradually. Savilis publishes an index of prime residential property in the north of England



percent since its peak in 1989. Colin Strang Steel, head of realin Avrshire on the market as late as 1991, it got 2,000 enquiries, more than 200 viewings and 30 offers. It was finally sold for £200,000 tor Knight Frank & Rutley's Edinburgh office, says the most un-spoiled castles with a mention in more than twice the asking price. the history books have held up the best. "Genuine 16th or 17th centu-

Today Savills is trying to sell the almost-restored Hatton Castle in ry castles are much more likely to Perthshire. It has four walls and a have retained their value because of roof, but needs some finishing the scarcity of them," he said. touches. It is on the market for Many of Scotland's "castles" are £325,00 - a sum Savills said is less ittle more than Victorian houses than was spent on rebuilding, with a few turrets stuck on top of Even if prices have declined drawith a few turrets stuck on top of

the walls. But even these can elicit matically, a few sellers are still askgood prices if they are pretty enough. Dunnelma Castle, a fiveing for prices comparable to those fetched in the early stages of the bedroomed Victorian castle with boom. Killochan Castle, an I 1-bedfairy-tale looks perched above the room, 14th century castle in Ayr-Clyde estuary, was sold within 10 shire, is on the market at £1.2 mildays last April for £20,000 more lion, complete with paintings and than the asking price of £350,000. antiques. It was bought by the curlit went to a couple from the south rent owner in 1988 for about £1 It went to a couple from the south of England who are turning it into a million without contents. But then, British property rarely achieves the asking price these days.

The prices of sporting estates have fallen even harder than those Perhaps one of the worst-hit arridiculous rises and so seems to be castles. It became fashionable in of castles. This is because they are the late 1980s to buy three and a bit expensive to maintain and because walls, along with a lot of daylight their prices rose more in the good and even more history, and restore times.

world," Mr. Strang Steel said. "They went to British people mainly, but also Americans, Japanese, Germans, Malaysians and Danish. Those people are not coming nearly as frantically as they were even a

So the prices of estates, which are calculated according to the game bag in previous years, have fallen. Estate agents report that salmon rivers have fallen from about £15,000 per fish at the peak to about £8,000, and deer forests from as high as £30,000 per stag to as low as £12,000. Grouse moors, however, have remained constant at £2,000 per brace (two birds).

In addition to demand, the price of estates is dependent on how close they can get to supporting themselves. But the sportsmen who rented hunting and fishing "beats" are now feeling the pinch. Colin MacKenzie, director of country houses and estates at mallist fire houses and estates at realty firm Hamptons, said, "People just stopped taking shooting last year."
Grouse shooting stands out as an

exception because it is so rare. For that reason the Clova Estate in Aberdeenshire, which has a fertile grouse moor and has been put up for sale by the British oilman Algy Cluff, is expected to be relatively easy to sell Jamie Burgess Lumsden, a negotiator at Savills' Edin-burgh office, said: "Clova could provide sufficient revenue to run itself because grouse shooting is particularly special and the best grouse shooting can only be got in Yorkshire and Scotland."

The going rate for a brace on a day's shooting is about £80. If 250 brace were shot four or five times a year, that could raise as much as £100,000.

The guide price for Clova is £1.4 million. For that you get a 20-bedroom house and about 3,950 acres. In addition to the grosse, there is pheasant shooting, duck flighting and deer stalking.

Mr. Strang Steel believes now is a

good time to buy estates "because prices have fallen a very long way and there are very few of them, so once things get back to normal they will bounce right back again." The same could be said for authentic castles. But then most British punand Scotland, where most of these the ruin to its former glory. When "Rich people basically were buy-dits have grown tired of calling the bastles are based. It has fallen 10 Savills put ruined Sandrum Castle ing these estates from all over the bottom of the market in any asset. dits have grown fired of calling the

#### BRIEFCASE

Shareholders Give Janus More Flexibility to Manage

Shareholders in the fast-growing Janus no-load mutual fund family have approved a number of measures intended to reduce costs and give managers more flexibility in running the funds.

One would allow a common prospectus that includes the varying investment objec-tives of the different funds in addition to the usual fine print found in fund prospectuses. This should save considerable paper work from the way James has handled prospectuses in the past, with separate ones for each fund that repeat much of the standard, required verbiage.

A spokeswoman noted that Janus has one from 40,000 shareholders at the end of 1989 to about 1.2 million, so any reduction in paper is bound to save money and trees. Another measure lifts the restrictions on managers using futures, options and other derivative instruments as bedging tools.

Janus also won approval to merge the assets of its funds with similar funds. Janus is famous for its no-load funds, but it also manages money in several load funds marketed by other companies. Mingling assets between the two types of funds will save money through administrative efficiency.

#### **CBOE Seeks to Package Blue Chips and Call Options**

The Chicago Board Options Exchange has filed for regulatory approval to trade a security it calls Bounds, where each contract would synthetically combine the purchase of 100 shares of stock and the sale of one call

A Bound is therefore a prepackaged buy-write, a strategy used to reduce the amount of any loss in a stock's value while giving up some of its potential gain. Studies have found that selling a call option when buying stock will, in the long run, produce greater returns than buying shares alone. And Bounds, presumably, would carry lower dealing costs than buy-writes because fewer transactions are involved:

Bounds work like this: Say you like the chances of IBM, which has been selling ocar \$92 a share. You could buy 100 shares ontright for \$9,200, or you could pay maybe \$8,000 for a Bound with a strike price of \$100 that expires in, say, three years.

If IBM closes at \$100 or less at expiration, you would get the 100 shares, but at a bargain price. They only cost \$80 each, instead of \$92. That means that as long as IBM shares rise or else fall by less than \$12 apiece, you come out ahead.

Should IBM close at more than \$100 a share at expiration, you would receive \$10,000 in cash, or a return of 25 percent. The bad part is that even if IBM doubles to \$200 over the three years, making 100 shares worth \$20,000, \$10,000 is all you would get.

حكدًا من الاعل

It may seem like a raw deal at first; giving up a potential \$10,000 for a saving of just \$1,200. What many investors don't realize is that the chances of IBM actually rising that far, that fast are remote. Over a long enough period, the tortoises who make a little bit extra by selling calls will come out in better shape than the hares who bet on a big rise in a stock's vame.

The CBOE said it hopes to sell Bounds with lifespans of up to five years on selected high-volume blue chips. They would have European exercises, meaning they could only be exercised on the last day of trading. Until then, they would trade as ordinary

#### No-Load Means Lowest Cost In Funds, Survey Shows

Funds that charge sales loads have justified the added fees, which usually go to agents who sell them, by asserting that the use of a sales force cuts marketing and advertising expenses and so reduces overall fund costs in the long run. A recently completed study casts strong doubt on that

Morningstar Inc., which compiles statistics on American funds, compared the ex-pense ratios of more than 2,000 load funds, pure no-load funds and no-loads that deduct an annual 12b-1 charge from net asset value to cover marketing costs. The result: Pure no-loads are cheapest.

The load funds had an annual expense ratio of 1.32 percent of assets, while the no-loads with 12b-1 fees had a slightly higher ratio of 1.48 percent. The best, by far, were the pure no-load funds, which had average annual expenses of 0.97 percent.

Ken Weber, editor of the newsletter Weber's Fund Advisor, commented in his latest issue: "In simple terms, oo-load funds are cheaper to buy in the beginning and cheaper to hold. Since no one knows which funds will produce the best gains in the future, unless you have some compelling reason to do otherwise, it makes sense to buy pure no-load funds when you can."

#### Small Investor Caught Rise In U.S. Bonds for a Change

It looks like the small investor may have got it right for once. The most recent figures published by the Investment Company Insti-

rute, the representative body of the U.S. mutual fund industry, show that small investors were snapping up bond funds in June, well ahead of the discount-rate cut that produced a surge in shorter-dated bonds in early

Unit investment trusts, which purchase fixed portfolios of selected bonds or stocks, increased monies under management by \$694.1 million through June to a total of \$4.26 billion, Tax-free bond trusts issued shares worth \$427 million, for a total of \$2.44 billion in the first half. Taxable bond trusts, meanwhile, issued \$154.8 million worth of shares, for a total of \$1.01 billion in the first half. There were 61 new tax-free and 7 taxable trusts issuing shares in June.

#### It's No Mexico, but Climate in iran May Only improve

No doubt about it, investing is a business for the brave.

Political Risk Services, a Syracuse-based consultancy that analyzes country risk for investors, cites Mexico as sparking business optimism. With the North American freetrade agreement initialed, that seems sensible enough. But you have to be considerably braver to invest in Iran, where the firm argues that a pragmatic government coali-tion is likely to improve the business climate.

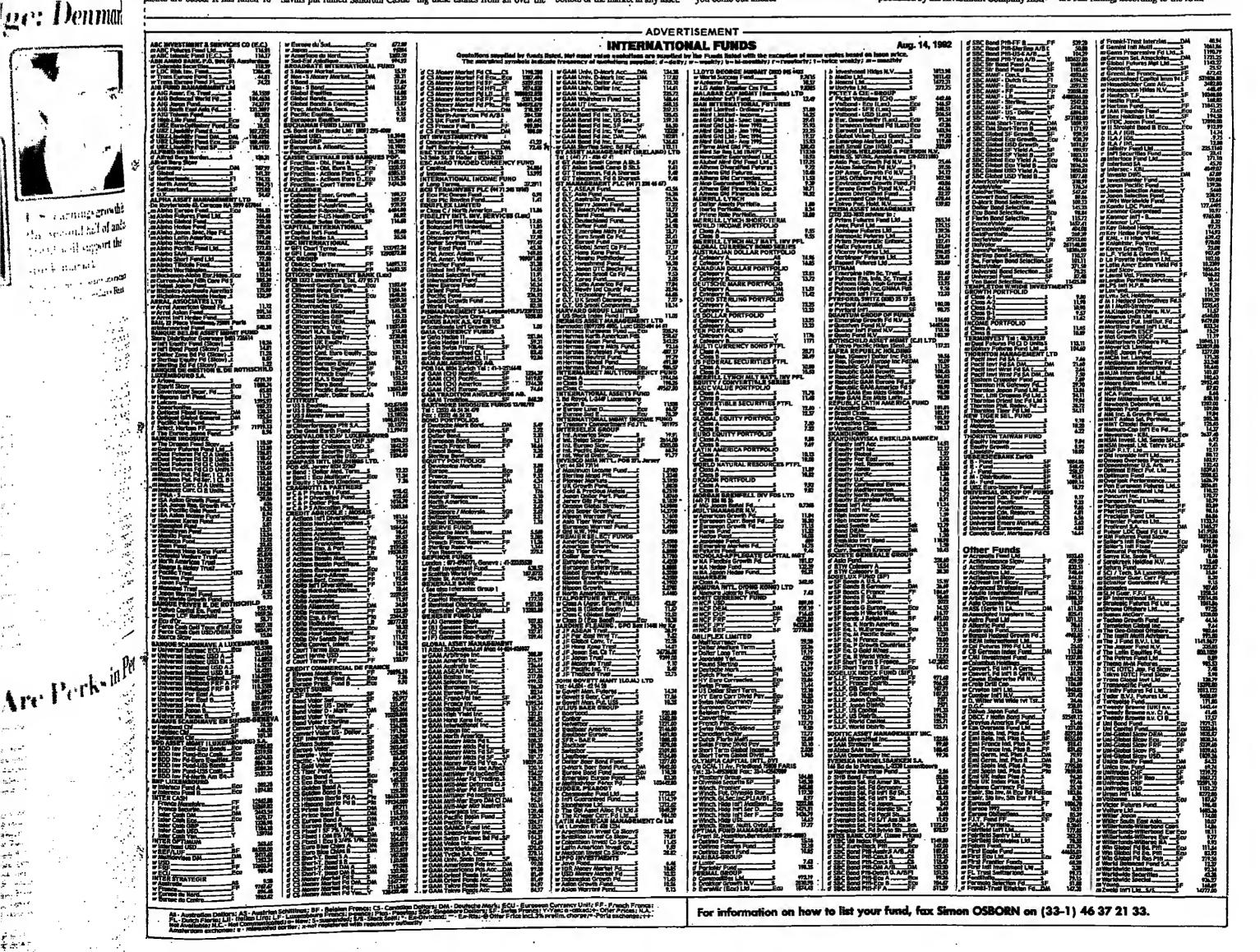
#### **'Early Warning' on Property** is a Bit Too Late in Britain

It can be very tempting to be wise after the event in finance, So tempting in fact, that investors can often be beguiled by the "if only" factor: "If only I'd iovested in biotechnology fuods two years ago, I'd be rich," etc.

A similar rule applies to analysts, who seek to find the best explanation of what has already happened in an attempt to predict the future. British realtor Hillier Parker is no exception to the rule. It has just launched a new publication that looks at "residual land values" — broadly speaking the value of land less the costs of development — in

Had this analysis existed a few years ago. "it would have acted as an early warning of the recession to come," said Russell Schiller, bead of research at Hillier Parker. The firm claims that the residual land indicator began to turn down while other property indica-tors, such as rental and capital values, were still booming.

Those who are looking for an upturn in British property have longer to wait, if the measure of residual land value really is a good indicator. Most residual land values are still falling, according to the firm.



# SPORTS BASEBAL

## Blue Jays Edge Orioles, 4-2, to Lead by 2 Games

TORONTO - Doug Linton is young, impressionable, new to all this. So perhaps he did not know any better when he took the mound for his first start as a Toronto Blue

Linton did not know that he should have been burdened by a 50-pound monkey that seems to burdeo all Blue Jays in each increasingly melodramatic pennant

He did not seem to know that since this is August and another tight race has developed in the American League East, it must be time for Toronto to ruin another opportuoity to reach the World Seies for the first time

Good thing for the Blue Jays. Or

#### AMERICAN LEAGUE

else Linton might not have pitched spectacular hasehall Thursday against the Baltimore Orioles. would not have assured that the increasingly shaky Blue Jays did not crumble completely by losing the final three games in the fourgame series.

As it was, Linton — eschewing rookie enthusiasm instead of typical Toronto angst and allowing only three hits in eight innings enabled the Blue Jays to stay in the game against their latest tormen-tors and defeat Baltimore, 4-2.

That victory was only the second for Toronto in seven games. But it was enough to assure the two-game swing the Orioles allowed themselves to hope for went, instead, the

Jays' way. So, instead of escaping the series locked in a flat-footed tie with Baltimore, the Jays emerged pretty much where they began, nursing a two-game lead and praying that, for once in a late season, the magic

might find them for a change. "It was important for us to get out of here with the same lead," said the Toronto second baseman. Roberto Alomar. "We didn't play as good as we wanted to play, but we're still two games up, still in first

place - and that's good."

scoring double in the eighth inning. into the seats just inside the left-did not issue that analysis in a cele-field foul pole.

Rather, he did so in the quiet, reconciled manner of a veteran who has been through this sort of war before and is no longer naive in the fourth, his eighth of the seaenough to believe that any of this son. will ever be easy in Toronto.

Devon White opened the eighth with a leadoff single and Alomar fouled off two sacrifice attempts before driving Rhodes's pitch into the gap in left-center, scoring White with the run that snapped a

Joe Carter sacrificed Alomar to third and Dave Winfield walked before Candy Maldonado drove in Alomar with a single off Todd

Frohwirth, pitching in relief.

Alomar, a member of the Blue Jays for only a year and a half, is obviously a quick learner. Because Toronto players do not shrug off the notion that it's too early to think about such games as being

Because it is never too early in Toronto, not when a team has become so adept at oear-misses, blown leads and absolute failures at fulfilling their potential or those

of the prognosticators.

So it is that they think and fret and wonder about such games, wonder when it is exactly that this organization will be able to shed that weighty yoke of being the major league's most notorious perennial disappointment?

In other games, The Associated

Press reported:
Athletics 4, Angels 1: In Oakland, California, Mark McGwire's second homer of the game off Jim Abbott, a two-run shot in the seventh, broke a tie and Mike Moore pitched a three-hitter to win it for

McGwire, who leads the majors with 37 home runs, helped the A's open up a season-high four-game lead over the second-place Minne-sota Twins in the American League West. Oakland is the first team in baseball to win 70 games, and moved 25 games over 500 for the first time this season.

With the score 1-1, Jose Canseco Alomar, the player who delivered the game winner off the Oriole starter, Arthur Rhodes, with a runtum the next pitch more than 400 feet

McGwire's leadoff home run in the second inning gave the A's a 1-0 lead. The Angels got that run back on Junior Felix's one-out home run

Moore, who walked one and struck out five, is 2-0 with a 1.16 ERA in his last three starts. He pitched his second complete game of the season, the other being a 4-2 loss at California on June 21. Moore retired the final 16 batters

Rangers 6, Twins 1: At the Metrodome, Jose Guzman allowed six hits and struck out 11 and Texas capitalized on the wildness of Minnesota's Scott Erickson.

Guzman allowed only an unearned run in pitching his fourth complete game. Erickson had his Rafael Palmiero led off the third

with a single and, one out later, Kevin Reimer singled him to second. Erickson struck out Dean three straight batters - Monty Fariss, Ivan Rodriguez and Jeff Huson — walking them all, forcing in two runs.

Reimer hit a two-run homer, his 14th, in the first inning and douhled and scored the Rangers' final run on Rodriguez's single in the

Palmer hit his 20th homer off

Carl Willis in the seventh.
Red Sox 4, Indians 2: Roger Clemens improved to 18-2 lifetime against Cleveland and kepl visiting Boston out of the AL East cellar. Clemens won his fourth straight and stopped Boston's four-game losing streak, preventing what would have been the Indians' first four-game sweep of the Red Sox since 1960.

He gave up eight hits, struck out nine and walked one in eight innings, keeping his league-leading ERA at 2.20. Jeff Reardon pitched the ninth for his 25th save.

Charles Nagy struck out nine in eight innings but lost for the fourth time in his last five starts. Billy Hatcher highlighted a four-run fifth with a two-run single.

least to impersonate - the onstage great-

ness of Maria Callas for just one night,

even if she must do so in a backlands

town, in a crumbling theater before sets

of painted and billowing cloth, and while

lip-synching to a scratchy recording.

Ana Miranda is a new voice in Brazil-

ian fiction. Her second novel was recent-

ly published in Brazil and her first, "Bay

Sin," has just appeared in a translation

Like many of Brazil's great novelists

before her, including Erico Verissimo

and Antran Dourado, Miranda has

turned to historical sources for material

that reflects the modern country. This

book revolves around a political assassi-

natioo late in 17th-century Bahia, a time

and place of colonial struggles, contra-

dictory interests and rowdy confusion.

The book is busy on every page with

brothels and monasteries, promises and

betrayals, honor and revenge, plots and surprises, bitter hatred and hlossoming

love, all amid the very tactile reality of

Miranda's characters, especially her women, are strong and memorable, and her treatment of ideas is vivid and chal-

lenging, especially in her fictionalized portrait of Brazil's great baroque poet,

Gregorio de Matos. What would Olivio Montenegro say?

Alan Ryan, who specializes in Brazilian

literature and music, wrote this for The

Brazil's most colorful city.

by Giovanni Pontiero.

All Saints and Every Conceivable



shortest onting of the year, going
2% innings and giving up four runs
on six hits and three walks.

Keen Records Associated Press
The Athletics' Mike Bordick jumps clear of the Angels' Gary Disarcina after turning a double play.

## Fay Vincent Has His Doubts

#### Top 2: Giants' Proposed Move and His Job

TORONTO -- Commissioner Fay Vincent came to watch a baseball game but wound up acknowledging for the first time some doubt about the Giants' proposed move to St. Petersburg, Florida, and his own continuance in office.

Vincent admitted that he has a problem with his job. He cited in particular the challenge to his anthority by the Chicago Cubs, a federal court order and a midsummer attempt by some owners to ask him to waive some of his authority in areas of labor.

There's no question that the commissionership is under pressure and people want to change it," he said. "I feel very much under siege, and that's a problem for

As for the Giants' move, Vincent said that both the National and the American Leagues now had con-cerns about the proposed sale and the team's relocation from San Francisco to St. Petersburg. That concern is important. The Giants' owner, Bob Lurie, oeeds the approval of 11 of the 14 National League owners and eight of the 14 American League owners to complete the sale to Florida-based investors.

Vincent indicated that the American League's concerns rested in the possibility of losing all of Florida to the National League, since the Giants would join the expansion Marlins of Miami in that state next season.

"That and the fact that they can't move a team into San Francisco because of Oakland makes it a big issue for the American League," Vincent said.

Vincent also said the National League Western Divivincent as said the National League Western Division teams on the Pacific Coast might fear the possibility of not functioning as well if the Giants move east. Those concerns could increase immeasurably if Vincent's proposed realignment of the league's divisions is not put into place and the San Diego Padres and the Los Appeles Dedoes must make their three annual wights to Angeles Dodgers must make their three annual visits to their "West" division rival in St. Petersburg.

The division alignment was an issue even before the Giants' proposed move. The Cubs obtained a federal court restraining order against Vincent, temporarily blocking him from assigning the Cubs and the St. Louis Cardinals to the NL West and moving the Cincinnati Reds and Atlanta Braves to the NL East,

Vincent's next attempt to have the restraining order removed is scheduled for the end of September. The delay could muddle the scheduling of the '93 season.

Major league club owners were to formally begin discussing the Giants' situation Friday when baseball's executive council, a group of owners that serves as an advisory panel to the commissioner, conducts a -CLAIRE SMITH

THIS IS THE COURTHOUSE ...

AREN'T YOU COMING IN?

PEANUTS

## Pinch-Homer Lifts Braves Over Padres

Damon Berryhill's emotions took off on a roller-coaster ride as he watched his game-winning ninthinning home run drop lazily over the right-field (ence in Atlanta.

Berryhill came on as a pinchhitter with one out in the ninth to hit his eighth homer of the season, breaking a tie and lifting the Atlanta Braves to 8 4-3 victory over San Diego on Thursday night.

The win snapped San Diego's streak and ended the Braves losing

#### NATIONAL LEAGUE

streak at two games following nine Berryhill connected on a 2-2

hanging slider from Larry Andersen after missing a slider on the

This one hang and was out over tially felt the drive was a home run, then thought Tony Gwynn was go-ing to make the catch as the Padres' right fielder backed up to the wall. "Please go over the wall, I was

thinking, oot a fly out," said Berryhill. "Then I saw it go over the wall and I was excited and relieved. There's no consolation for a pitch like that to lose the game,

said Andersen, who had allowed only one homer in 251/2 innings. "It was a terrible pitch. The one thing I didn't want to do is what I did." It also gave reliever Mark Davis his first victory with the Braves and moved Atlanta 4½ games ahead of Cincinnati in the National League

West and 61/2 games in front of the third-place Padres. The Braves had taken a 3-0 lead in the first inning off the San Diego starter, Andy Benes, when Terry Pendleton hit a three-run homer, his 17th of the season. It came after

a leadoff walk to Otis Nixon and a single by Deion Sanders.
"That was definitely a hig game," said Pendleton. "The Paires needed a win to stay close." Benes, a .146 hitter, gave the Padres their first run with a solo home run in the third off the Atlanta

his first of the year and third ca-Fred McGriff then tied it at 3-3 with a two-run bomer in the sixth,

starter, Charlie Liebrandt, It was

scoring Gary Sheffield, who had singled. It was McGriff's league-high 27th homer of the season, his second in two days and sixth in nine games.

Dodgers 4, Reds 3: In Cincinnati, Henry Rodriguez drove in three runs with a double and his first major league homer, helping Los Angeles overcome a seasonhigh six errors to defeat the Reds. Rodriguez doubled with two out

in the ninth off Dwayne Henry season-high six-game winning after Eric Karros walked. The Reds had appeared to be out of the inning when Brelt Butler, who led off with a double and was sacrificed to third, attempted to score on Henry's pitch in the dirt to Karros. Butler was tagged out by catcher Joe Oliver for the second our

The victory went to Roger Mc-Dowell, who pitched the seventh and the eighth. Jay Howell got the final out for his first save since last

The Dodgers tied the score 3-3 in the eighth when Mike Scioscia led off with a walk off Scott Bankhead. After Norm Charlton relieved, Tom Goodwin, pinch-running, was sacrificed to second.

Goodwin stole third and scored on Charlton's wild pitch. Two batters later, Charlton went to his mouth and was charged with a ball. He apparently said something to the third-base umpire, Tom Hallion, and was ejected. When Charl-ton reached the Reds' dugout, he threw two bats onto the field. Scott Ruskin finished the inning.

Astros 4, Cubs 3: In Chicago, Jimmy Jones pitched four-hit ball for eight innings, and Eddie Taubensee's two-run double highlighted a four-run seventh inning.

The loss was Chicago's fourth straight, while Houston won its third in a row. The Astros are 7-10 on their 26-game road trip. The Republican National Convention begins Monday in their home field, the Astrodome.

Through six innings, Jones and the Cub starter, Frank Castillo, were breezing, as both had allowed

Jones gave up Andre Dawson's 16th home run leading off the Cubs' seventh inning and Ryne Sandberg's 14th homer in the

ALL OF A SUPPEN, THE WORLD FAMOUS ATTORNEY

REALIZED HE WAS IN

OVER HIS HEAD...

#### BOARD

#### **BOOKS**

#### CAETANA'S SWEET SONG ...

By Nelica Pinon. Translated from Portuguese of Helen Lane, 402 pages. \$24. Alfred A. Knopf Inc., 201 East 50th Street, New York, New York 10022.

#### BAY OF ALL SAINTS AND EV-ERY CONCEIVABLE SIN

By Ana Miranda. Translated from dream, in this case, is centered on Cae-Portuguese by Giovanni Pontiero, 305 pages. \$21. Viking Inc., 375 Hudson Street, New York, New York 10014.

#### Reviewed by Alan Ryan

66T ET'S be realistic. Fiction authored by the women among us has always been very weak. Sentimental and puerile. And when it contains some emotinoal quivers - at bottom it's just hysteria. Its exaltation doesn't come from the imagination: It's from desire. These authors are more faithful to sex than to

Those ungracious remarks were written by the Brazilian historian and literary critic Olivio Montenegro in the 1930s. Montenegro needed to do more than work on his attitudes; he also needed a crystal ball to see the future of his nauon's literature.

Now, with an English translation of her 1987 "Caetana's Sweet Song," we can Caetana's dream is to achieve — or at Washington Post.

DOONESBURY

see why Nelida Pinon, a veteran novelist and brilliant short-story writer, is, without qualification, one of the finest writers in a country with more than its share of great writers.

"Caetana's Sweet Song" is joilier and more accessible than "The Republic of Dreams" (published in the United States in English in 1989). In this novel, Brazil is a country in which illusions can jump the track, like a runaway train, "mutilat-ing travelers who had inadvertently Doarded the impossible dream. tana, an itinerant actress and headmistress of her own impoverished little carnival. After an absence of 20 years, Caetana is returning to the provincial town of Trindade, which she had departed abruptly one famous Friday, leaving in ber wake an ever-growing memory of grandeur and a catalogue of shattered

dreams and broken hearts. No heart was broken, back then, more painfully than that of Polidoro, a wealthy cattle baron and Trindade's leading citizen. But others have harbored their own thoughts, both bitter and sweet, about Caetana and what she represented: the local historian, the town pharmacist, and the town madam and her three resident whores. For all of them, Caetana — in the past, in vivid memory and in her present abundant

flesh — represents a dream of drama and romance, of limitless possibility. And then, of course, reality intrudes.

BUT THEN SOME

#### By Alan Truscott

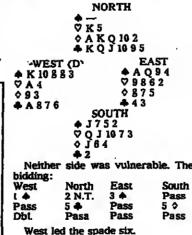
O N the diagramed deal from the Grand National final in New York. South reached five diamonds, which was doubled by West. He ruffed the opening spade lead in dummy and made a good play by leading the heart king. West won and led another spade. Dummy ruffed, and the clob king was led. West won and forced the dummy with a third spade, but

**BRIDGE** 

trump winners, threw his last spade on the club queen, and entered his hand with a heart lead. The last trump was drawn with the diamond jack, and the contract was made.

In the replay the same contract was reached. A spade was led, ruffed in the dummy, and the declarer led the club king at the second trick.

But Boehem as West held up the club ace. South fell into temptation by ruffing a club and leading a beart. West put up the ace and forced dummy with another spade. South was able to ruff a club, cross to the beart king and rulf another club. This eliminated West's club ace, but did South no good. When he led a heart winner West ruffed and the defenders had to take two more tricks for down one. Bochem's sacrifice of his club ace had reaped a rich reward.



# Neither side was vulnerable. The West led the spade six.

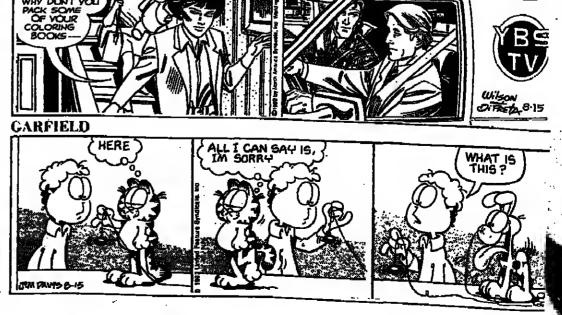
#### BEETLE BAILEY DARN! THERE THAT'S THE IT'S MY GIRLFRIEND! GOES MY 5th TIME WE'RE HAVING AN ARGUMENT! BEEPER THIS AGAIN! MORNING WHAT'S UP



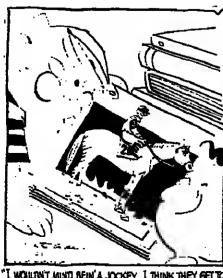




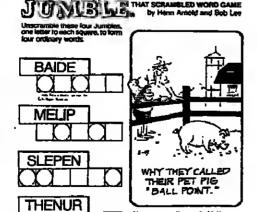




#### **DENNIS THE MENACE**



"I wouldn't mind bein'a jockey. I think they beito TAKE THE HORSE HOME WITH 'EM AFTER THE RACE."



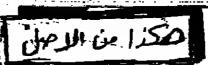


BLONDIE









# **SPORTS**



## Krabbe, Breuer Fail 2d Drug Test

COLOGNE — Double world be imposed internationally. athletics sprint champion Katrin Krabbe and her teammate Grit Breuer face four-year bans from a ban. competition after their positive dope tests for banned drugs were

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Acres and it is better

confirmed on Friday.

An official of the German athletics federation, Rüdiger Nickel, said the second urine sample supplied by Krabbe and Breuer during random tests io training last month had tested positive for the anabolic and stimulant Clenbuterol.

"That confirms that all the tests given by the athletes contained Clenbuterol," Mr. Nickel said after the tests were analyzed Friday at the International Olympic Com-mittee's dope-testing laboratory in

Cologne.
Atbletes always give two urine samples during tests. Krabbe and Breuer's first tests from two training camps in Germany in July had been found to be positive earlier this month. But the tests needed to be confirmed by a second test before any action could be taken against the athletes.

The German Track and Field Federation immediately ao-nounced that Krabbe and Brener had been suspended from national competition

The federation now will report the results to the International Amateur Athletics Federation, which can ban the two athletes from international competition for up to four

Officials of the German federation had said earlier that Krabbe, the 100 and 200 meters champion at last year's world championships, and world 400 silver medalist Breuer would be suspended imme-muscle-building drug that has been diately from competition if the linked in the past with scandals

tests were positive.

Rut the federation's board must meet to impose officially the minimum penalty of a four-year ban for mended in an underground drugs a first doping offense on the former East Germans, who also have the

right to plead their case. Federation officials said the board planned to meet as soon as from the Barcelona Games after possible. It must then report the they tested positive for the drug,

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Thursday's Line Scores

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and Wilkins, W.—J.Jones, 5-5 L.—Costilla, 6-7.

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Mr. Nickel said the board would need to decide the starting date for

"It should be July 2 when the first sample was taken." be said, "but it may be put back to April 16, the point at which Krabbe and Breuer admitted to having started

taking the drug."

He added, "There is no board meeting scheduled this month, but I cannot say when the board will

Whatever the final start date of the ban, Krabbe and Breuer are now unlikely to be able to compete until a few weeks before the 1996 Atlanta Olympics which start on July 20, 1996.

Krabbe and Breuer, who are close friends, are unlikely to return to the sport at the highest level after such a long time away from the track, and Friday's announcement probably spells the end of their

In June, Krabbe, Breuer and former world sprint champion Silke for Raymond Floyd.

Möller avoided a four-year ban for Floyd turns 50 oo S manipulating dope tests on a legal technicality after returning identical urine samples during random tests io a training camp in South Africa in January, Krabbe and Breuer, who did not

go to the Barcelona Olympics be-cause of the pressure of the first doping scandal, had already admitted to the German federation that they had taken the compound Clenbuterol. But Krabbe has been quoted as

saying that she took the drug only the banned list. Clembuterol is a over its use to improve veal.

It is licensed in some countries to treat asthma and has been recomusers' handbook as a way to boost performance without getting

Several athletes were expelled

57 29 2 459 — 46 35 5 564 892 42 44 2 478 16 38 48 3 444 19 40 51 1 440 1912 37 51 1 421 21

PGA Champiosshis, ninyed as the 7.14s-par-71 Bellerive Country Club course: Creip Studer 33-3 Gene Souers 33-3 Brian Cloar 32-3 Jov Don' Bioke 33-3; Nick Foldo 25-3; Fred Couples 34-3; Fronk Nobilo 34-2; Bob Estes 32-3; Roymond Floyd 35-34

Den Forsmar



Gene Sauers, a two-time winner on the PGA Tour, led the way in the first round with Craig Stadler.

## Floyd: Swinging for the 'Old Guys'

ST. LOUIS, Missouri - There'll be no cruising into the golden years

Floyd turns 50 oo Sept. 4, which means he will be eligible to play on the PGA Senior Tour. It will be a difficult shift into low gear, though, because he is still one of the best. He also has become the standard bearer for a graying America. During his opening-round 2-under-par 69 in the PGA Championship be

"Way to go Ray, for us old guys," "Conservatively, I'd say there were 25 or 35 people out there saying that," Floyd said. "I have a great fan support base, demographically, after ber doctor said it was oot on and to see me still being competitive against the younger players really pumps those people up."

Floyd is in his 29th year on the PGA Tour and is not conceding a bit to age. This year he has finished second in the Masters, won the Doral Open, tied for second in the Byron Nelson Classic and is considered one of the players to beat io the PGA. He bas won the tournament twice, in 1969 and 1982.

"I just decided I didn't want to coast into the Senior Tour," he said. "I wanted to work and see how good

Meanwhile, Gary Player, one of ers who once dominated the game to only four golfers to win all four enter PGA tours and not even make majors, said it bothers him when the cut," he said on the eve of the some of the other legends of the game do poorly on the regular Tour.

Player woo 21 tournaments, in-cluding three Masters, three British boon for him and others, Opens, two PGAs and one U.S. Open, and made \$1.9 million before moving in 1985 to the Senior PGA tour, where he has taken 16 titles and pocketed \$1.3 million. heard the words again and again: He now joins the younger folks

Bruno's Classic in Alabama. The 56-year-old South African said the Seniors tour has been a "The Seniors tour has a greater

message than the regular tour," be said. "Look at Miller Barber. At 61, he is the bionic man." Barber joined the Seniors in 1981

and has taken 24 tournaments and \$2.7 million, more than he pocketed on the regular tour.

# Gallagher and Cochran Take Early Lead After 36

66, and Russ Cochran fired his sec- made the top 10 twice. and consecutive 69 on Friday to share the early 36-hole lead in the me in take aim and be more aggres-74th PGA Championship at 4-un-

صكذا من الاعل

vantage of light winds and soft get close." greens in their early morning pair-

The greens were fresh and that helped, said Gallagher, who broke the Bellerive Country Club course record of 67 shot Thursday by Craig Stadler and Gene Sauers.
"I played great," he said, "I like my position. The wind has started to blow again like it did for me in the afternoon vesterday. The greens will he more hanged up, too."

Gallagher has made \$1.8 million on the PGA Tour, but his only had tee times later Friday. championship was the 1990 Greater Milwaukee Open, Cochran also was one of the few golfers who cracked par Thursday with a 2uoder 69.

First-round leaders Sauers and Stadler played in the morning Thursday before the wind came up. as did Brian Claar, Jay Don Blake, and Nick Faldo, all 68 shooters. Rubert Gamez, who shot 69 in the afternoon, said, "It was at least a two-shot difference to be able to play in the morning when the greens were soft and the winds

Cochran, the 1991 Western Open champion, has won \$242,237

ST. LOUIS. Missouri — Jim at the BellSouth Classic. He has Gallagher Jr. shot a course record played in 21 tournaments and "Playing in the morning enabled

sive." he said. "The greens were very receptive. lo the afternoon, Gallagher and Cochran took ad- they are firm and shots are tough to Sauers got off to a stumbling

staft Friday with two consecutive bogess to drop to 2-under for the tournament after 22 holes. Two-times U.S. Open champion

Curis Strange shot 5-over 41 on the front, including a triple-bogey seven on the 426-yard No. 9. Strange was eight over for the tour-Temperatures again were ideal.

and showers stayed away. Stadler, Claar, Blake and Faldo

Earlier, Leonard Shapiro of The Washington Post reported: Some of the best and brightest

stars of professional golf dazzled at breezy Bellerive in the first round. but few shone with more brilliance than Masters ebampion Fred Cou-ples, who, after triple-bogeying the third hole, gamely rallied in con-tention for the final major championship of the season.

The record will show that Stadler and Sauers, a mostly anonymous two-time PGA Tour winner, held the opening-round lead on an unonably cool day of no-sweat golf by shooting 4-under-par 67 over the sprawling 7.148-yard (6,536-meter) Robert Trent Jones

layout, But the focus of many in the swirling gallery of 35,000 was elsewhere, with most eyes focused on the threesome of 1992 major championship winners — Couples | Mas-ters), Tom Kite (U.S. Open) and Faldo (British Open).

By the time the sun peeked from behind the clouds in the early after-noon, Faldo had finished with a solid 68, among three players one stroke behind the leaders. Couples was in at 69, in a group of six that included his friend and mentor, 49year-old Raymond Floyd, still dangerous after all these years.

Among the trio, only Kite flour-

dered, and it happened suddenly. Breezing aloog at 1-under through 16, he hit a 4-wood second shot into the middle of a pond guarding the 536-yard 17th bole and three-pulted from 20 feet for a double bogey
7. At the brutish 454-yard 18th, he hit bis drive in the four-inch rough, hacked it out 80 yards into the

Other players also struggice home. Defending champion John Daly was all over the place - the towering trees, vawning traps, deep rough - with his huge-headed buttering rant of a driver and shot ?6, with six bogevs. Paul Azinger was on the leaderboard at 3-under after

15 holes, then finished bogey, by-gey, double bogey for a 73. Davis Love 3d shot 41 on the front side on the way to a dismal 77, looking like so many of the 40 club professionals in the field, most of whom will be going back to their members' quirky swings following the cut to the top 70 and ties after the second round.

Jack Nicklaus put himself in po-sition to make that cut with a 72, as did his friend and longume rival. Tom Watson, trying to win the only major title not yet on his resume. But Arnold Palmer, another non-PGA winner, shot 79. Also in a group well-positioned at par 71 are former British Open

champions Greg Norman and Ian Baker-Finch and 1992 British runner-up John Cook.
Faldo and Couples, the No. 1 and 2 ranked players in the world.

were exactly where they'd like to be in a tournament that has the potential to determine the game's best player in 1992. Still, Cruples insisted: "I'm not

really worried about anyone else.I just want to play well here."

Couples hasn't played on the regular Tour since finishing third in the Western Open the first week in July. When last seen at the British Open, he was making a silent getaway after missing the cut.

The rust was evident early when he bogeved the first hole, then offset a birdie at the second by "halfshanking" a 7-iron into the water on the 165-yard third hole, He three-putted from 12 feet, includiog an ugly miss of a 212-footer for the triple-bogey 6.

But Couples made birdie putts of 25 feet at the fifth and eighth holes, and got to par with a 10-fonter at the ninth. At the 456-yard 15th hole, he hit a 320-yard drive and stuck his second shot two feet from the hole for an easy birdie. He was on in two at the dangerous 17th and two-putted for his final birdie. then saved par at 18 with a tough 20-foot putt after driving into a fairway trap, hitting out into a greenside bunker and botching the blast.

"I'm thrilled to death." Couples said. "Actually it was kind of a

#### case to the International Amateur (Reuters, AP) **SCOREBOARD** Japanese Baseball Emile Els Major League Standings AMERICAN LEAGUE Kelth Clearwater 38 52 0 A22 1312

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D. A. Welbring
Steve Elkinston
Chip Beck
Sondy Lyle
Mike Hulbert
Mark Colowecchio.
Harold Perry
Lorry Mize
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Fution Allem
John Mohoffey
Louis Barlolefii
Mike Schuchort

BASEBALL

Totome,
SEATTLE—Signed Edger Mortinez, third
baseman, to three-year contract.
NEW YORK—Put Willie Rundolph, Infielder, on 15-day disabled ligt.
57, LOUIS—Announced that they will remain utilizated with the Louisville Redbirds,
American Association Invosit 1974 season,
SASKETBALL
National Basketbati Association
INDIANA—Named Ed Badger assistant
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cooch.

LOS ANGELES LAKERS—Signed James
Edwards, cenier, and Sean Hiestins, forward.
PHILAD ALPHIA—Stoned Tim Perry, forward, to multiyear contract. Named David
Moe assistant cooch.

FOOTBALL
Notional Football League
ATLANTA—Released Robert Cyles.

catver, and Bryce Poup, linebacker.
LOS ANGELES—Signed Tim Brown, wide

HOCKEY

#### SIDELINES

#### Martinez to Get \$3.1 Million a Year

SEATTLE (AP) -All-Star third baseman Edgar Martinez, the Ameri- with a gold medal, a back that beld up "very well" and can League's leading hitter, has signed a three-year contract with the an uncertain future.

Martinez, 29, signed for the 1993-1995 seasons. The Scattle Postlotelligencer newspaper reported Friday that he would receive \$3.1 million per year plus an unspecified signing bonus. In addition, the club holds an option for a fourth season, also for more than \$3 million.

Martinez was leading the AL in batting going into Friday's games with a .334 average. His 34 doubles also were tops in the league. He has raised his lifetime batting average to .307, the highest in Mariners history. He also has 15 home runs, 56 RB1 and 12 stolen bases this season.

### Sciandri Triumphs in Tour of Britain

LEEDS, England (AP) - Italian Maximillian Sciandri fought off a strong challenge from Robert Millar of Scotland to win the Tour of American League
OAKLAND—Put Bob Weich, pitcher, on 15-day disabled list. Recatled Mike Raczka and Britain five-day cycle race on Friday.

Sciandri, riding for the Motorola team, held an 11-second lead over Dutch rider Ardi Van der Poel going toto the final stage over 110 miles (178 kilometers) from Nottingham to Leeds in northern England. But Millar attacked on the final climb to move clear and become the leader on the road. Sciandri's Motorola teammates led the chase, floally catching the Scottish TVM rider on the final circuit of Leeds city center.

• Greg LeMond, who pulled out of the Tour of Britain, bas decided

against racing in a World Cup cycling event in Leeds on Sunday because

Tomba Slaloms Straight Into Trouble
PLANTATION KEY, Florida [AP] — Alberto Tomba, the notorious
La Bomba of Winter Olympic fame, demonstrated his ability to slalom
past traffic along the Florida Keys, but the police were not amused.
The Monroe County Sheriff's Department reported that the popular
Italian skier was weaving through traffic in his rental car on U.S. Highway near Plantation Key when he was stopped by the police. A police captain said that the officer on the scene decided, because of the seriousness of the offense, to take Tomba to the sheriff's office instead of giving him a ticket. Tomba, who said that be had been burrying to catch a flight at Miami International Airport, posted a \$300 bond, and as a sheriff's office

## receiver, to a two-year contract. WASHINGTON—Traded Stan Humahries. Washington to San Olego for conditional For the Record

Brian Williams, the Orlando Magic forward who collapsed during a MOCKEY

National-Hockey League

LOS ANGELES—Named 800 Owen director of player personnel and development.

NEW JERSEY—Signed Stephane Richer, right wing. Announced that Doug Brown. Tom Charske and Cloude Vilgrate. right wings, signed offer sheets while exercising oersanal contants to undergo solary arbitration.

NEW YORK RANGERS—Signed Brian Solic, certer. summer league basketball game and was hospitalized, has undergone "a thorough neurological examination and the results were normal," according to a statement from the Magie. The team added that cardiology exams so were being carried out.

spokesman said, "Twenty minutes later he was gone."

The head of New Zealand's sports body, Keith Hancox, was jailed for four years Friday after being convicted by the High Court on 482 counts of fraud and forgery.

## Can Bird Play? Maybe, Says Trainer

BOSTON - Larry Bird is home from Barcelona

After missing 59 regular-season games with back problems over the last two seasons, he has not announced if he'll be back for a 14th NBA campaign. The Olympics, however, probably put him in "a positive frame of mind," said Ed Lacerte, trainer for the Boston Celtics and the U.S. Olympic hasketball team.

Asked if Bird knew whether he would play another season. Lacerte said: "I have no idea. Nothing would surprise me about Larry. He's a unique individual in his ability to tolerate pain, in his ability to overcome a

lot of things."

Bird missed 37 regular-season games last season and two of six in the Tournament of the Americas io Portland. Oregon, which preceded the Summer Games. But he played in all eight games in Barcelona. "He came through Barcelona very well, better than he did in Portland," Lacerte said.

The Olympic tournament, against weaker competition than he faces in the NBA, was less strenuous for to return. He is signed through the 1993-94 season.

Bird. He averaged only 18 minutes a game and did not practice every day.

In his final Olympic game, Bird sat out the entire first half and was scoreless in 12 minutes as the United States heat Croatia, 117-85, for the gold medal. Asked whether his limited playing time was a result of back problems, Lacerte said, "You have to speak to coach Daly on that," referring to Chuck Daly of the

New Jersey Neis, "That's a coach's decision."

Lacerte said Thursday that Bird had said he would make a decision in early fall. The Celtics open training

Asked if Bird could withstand the pounding of a full NBA season, Lacerte said, "He had difficulty doing that last year.

If he went through the rigors of an 82-game season without modifying his activities. Lacerte said, "he probably would break down,"

Since travel can aggravate his back condition, one possibility would be for Bird to play mostly home games. Lacerte indicated that limiting his playing might he one consideration in Bird's decision whether

## Uneasy Boks Brace for All Blacks

JOHANNESBURG — The Springbok and All Black rugby squads jogged through final train-ing on Friday amid suggestions that the home team was woefully uoder-prepared lor the long-awaited test match on Saturday.

Both sides claim to have been keeping their real strength io re-serve for the Ellis Park showdown, a 70,000 sell-out, but local enthusiasts are increasingly worried about South Africa's lack of recent international competition. Only seven of the Springbok side

have with caps in international matches, and there is concern that South African training methods will be exposed as outdated by an improving All Black side. The Johannesburg Star led the

doubters, claiming that the 1992 Springhoks "are painfully inexperienced and hopelessly underprepared, both physically and mental-

ly, for the rigors of international competition," We'll just have to stop them creating second-phase possession." Most of the doubt centers on the

pack. Uli Schmidt, a hooker, has been bothered by a hamstring injury for three weeks, while Adri Geldenhuys, a new lock, has a reputa-tion for bot temper that will be subject to plenty of All Black atten-

In Eastero Province's Currie

Cup match against Natal this season, Geldenhuys, 28, was sent off for butting, allowed back on the pitch and promptly sent off again for kicking an opponent in a ruck. Even Naas Botha, the linehpin of the Springbok side, admits the All

Blacks have few visible flaws. "I've oever seen a weak New Zealand team," be said. "Grant Fox is playing well, and I don't think they have a poor spot in the

"It's going to be very tough.

ing second-phase possession."

New Zealand has had the advantage of having played eight tests in recent months, three against a World XV, two against Ireland and

three more against Australia.

official test between the countries in the republic since 1976, will be which meets South Africa in Cape Town next week, as well as hy the French coach, Pierre Berbizier. Berbizier, currently on crutches

The match on Saturday, the first

after breaking a bone to his foot in the last minute of a charity game, is scouling the Springboks in prepa-mtion for their two test matches in France in October.

On Friday, David Campese scored two tries to rescue Australia from potential defeat against Northern Transvaal, 24-17, in the second game of their four-match rugby union tour of South Africa.



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## Let's Go to the Hop

M lAMI — My son, who is 11, has started going to dance parties. Only minutes ago he was this fittle boy whose idea of looking really sharp was to have all the had spread to all 40 hoys, who were Kool-Aid stains on his He-Man T-Rool-Aid stains on his He-Man T-punching and stomping on each other, so that our line looked like a denly, he's spending more time per giant centipede having a Brylereemday on his hair than it took to paint the Sistine Chapel.

And he's going to parties where the boys dance with actual girls. This was unheard of when I was 11. during the Eisenhower administration. Oh, sure, our parents sent us to step - the Lindy Hop. After we ballroom dancing class, but it would have been equally cost-effective for ter these dances, the instructor them to set fire to their money.

Junior High School cafeteria. We boys would huddle defensively in one corner, punching one another for moral support and eveing the girls suspiciously, as though we expected them at any moment to be overcome by passion and assault fore it was time to leave for the us. In fact this was unlikely. We were not a fatally attractive collection of stud mulfins. We had outgrown our sports coats, and we each had at least one shirttail elegantly sticking out, and the skinny ends of our neckties hung down longer than the fat ends. Many of us had smeared our hair with the hair-smear of choice in those days. Brylereem, a chemical substance with the natural look and feel of

industrial pump lubricant. When the dance class started, the enemy genders were fined up on opposite sides of the cafeteria, and the instructor, an unfortunate middle-aged man who I hope was being paid hundreds of thousands of dollars, would attempt to teach us the fox trot.

ONE (wo THREE four, ONE two THREE four," he'd say, demonstrating the steps. "Boys, start with your LEFT foot forward; girls, start with your RIGHT foot

back, and begin now: ONE . . . The girls, moving in one graceful line, would all take a step back with their right feet. At the same time, on the boys' side, Joseph DiGiacinto, who is now an attorney, would bring his left foot down firmly on the right

toe of Tornmy Longworth, "TWO," the instructor would say, and the girls would all bring their left feet back, while Tommy would punch Joe sideways into Dennis Johnson.

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induced scizure.

This was also how we learned the waltz, the cha-cha and - this was the instructor's "hep cat" dance hovs had thoroughly failed to maswould bring the two lines together and order the boys to dance directly with the girls, which we did by The ballroom in my case was actually the Harold C. Crittenden maintain maximum separation, lunging around the cafeteria like miniature sports-coat-wearing ver-

sions of Frankenstein's monster. But times have changed. I found this out the night of Robby's first dance party, when, 15 minutes beme, wearing new duds, looking perfect in the hair department and smelling vaguely of — Can it be? Yes, it's RIGHT GUARD! — and told me that we had to go IMMEDI-ATELY or we'd be late. This from a person who has never, ever shown the slightest interest in being on time for anything, a person who was three weeks late to his own BIRTH.

We arrived at the dance-party home at the same time as Robby's friend T. J., who strode up to us, eyes eager, bair slicked.

We followed the boys into the house, where kids were dancing. Actually, I first thought they were imping up and down, but I have since learned that they were doing a dance called the jump. We tried to watch Robby, but he gestured violently at us to leave, which I can

Two hours later, when we came back to pick him up, the kids were slow-dancing. Of course the parents weren't allowed to watch this either. but by peering through a window from another room, we could catch glimpses of couples swaying together, occasionally illuminated by spontaneous fireballs of raw hormonal energy shooting around the room. My son was in there some-

where. But not my little boy. Knight-Rudder Newspapers

## If It's Scientific, It's 'Garbology'

By William Grimes Ven Yark Times Service

N EW YORK — After 20 years of soming IN through garbage cans and landfills, the archaeologist William L. Rathje has accumulated precious memories. There are the 40year-old hot dogs, perfectly preserved beneath dozens of strate of waste, and the head of lettuce still in pristine condition after 25 years. But the hands-down winner, the one that still makes him shake his bead in disbelief, is an order of guacamole he recently ucearthed. Looking like it had just been mixed, it sat next to a newspaper apparently thrown out the same day. The date was 1967.

The guacamole that would not die reinforces a point that Rathje and his co-author. Cullen Murphy, make in "Rubbish!" recently published by HarperCollins. The garbage dumped in landfills tends not to biodegrade. It becomes mummified.

That's not all. "Rubbish!" pulls the rug from under a number of popular misconceptions about what experts call the "solid-waste stream." It reports that disposable diapers, plastic and foam account, by volume, for perhaps 3 percent of the United States's landfill waste. "If you could wave a magic wand and make all the plastic and the disposable diapers disappear overnight, landfill opera-tors wouldn't even notice," said Rathje, who has sorted through parts of the Fresb Kills Landfill on Staten Island and was interviewed recently in Manhattan with Murphy. Paper, on the other hand, counts for more than 40 percent of landfill volume. It stub-

bornly resists biodegradation. Raibje more or less invented the scientific subdiscipline that he, and, since 1975, the Oxford English Dictionary, calls garbology. Garbology is the study of trash, refuse, rubbish and litter — they are not the same — to gain insight into human behavior and cultural patterns. As a practical matter it bas also shed needed light on the garbage crisis. which, Rathje insists, is not a crisis at all, but a manageable task, like water treatment or street eleaning.

The research material may be disgusting, but the analytical methods are refined. Rathje's team excavates layer by layer, their trowel a spinning bucket auger suspended from u derrick. Working back through time. they sort the contents into 150 coded categories. "The fastidiousness is amazing." said Murphy. "I visited the lah and they were looking at spoonfuls of grit with magnifying glasses, then weighing it carefully."

This touches on a matter of some sensitivity for Rathje, who bridles at descriptions of his activities. They always say that I'm rooting, picking or poking," he fumed. "I don't root: i sort.

Rathje, 47 years old, is a professor of archaeology at the University of Arizona and the director of its Garbage Project in Tueson, which he founded in 1972 as an outgrowth of



a course on archaeological methods. For the first 14 years of its existence, the project, staffed by student volunteers with strong stomachs, conducted surveys of household garbage in the United States and Mexico. "After 14 years. I turned to my colleagues and said. "Isn't it wonderful that we can provide useful information in the garbage debate?" Rathje said. "And they said, 'Yes, Bill, it's wonderful, but it's not archaeology because there's no dirt."

Rathje began digging in 1987. He has exca-vated 15 landfills and painstakingly sorted through and catalogued 25 tons of garbage. This fall, garbology will achieve a new level of respect when an article hy Rathje on landfill excavation appears in American Antiquity, the archaeological equivalent of the New England Journal of Medicine.

Rathje, a stocky Midwesterner with a loud voice and a gregarious manner, looks like a man who would rather lead his troops around a landfill than deliver a scholarly paper. His idea of formal wear is a rumpled jacket with his jeans, and a tie held in place with a stainless-steel clip in the form of a pop top.

Murpby. a bookish-looking 39-year-old
with a fussy bow tie, seems to have been cast for contrast with his rumpled co-editor, His attitude toward garbage is different, ton. When asked whether he had ever gone on an

excavation, he shuddered. "I thank God I

have been spared that," he said. "Frankly. why anyone would do it, even for credit, is beyond me." Steering well clear of the raw material, Murphy served as editor, researcher and schedule monitor for the foot-dragging

This odd couple of garbology first crossed paths about 10 years ago, when Murphy, an editor at The Wilson Quarterly, published by the Woodrow Wilson International Center for Scholars in Washington, assigned Rathje to write some general articles on archaeology.

Right now, the project closest to Kathje's heart is a study on recycling behavior. Al-though many polls suggest that Americans now recycle assiduously, Rathje says be does not believe them. His past studies have shown that people will describe their behavior to satisfy cultural expectations, like the mothers in Tucson who unanimously claimed they made their baby food from scratch, but whose garbage told a very different tale.

In his book, Rathje cites a newspaper article on the garbage taken from a Hare Krishna temple in Detroit, which included the price tag from an Oleg Cassini garment, and four ticket stubs from a local drive-in theater showing "Horrible House on the Hill' and "The Night God Screamed." The truth will out. More often than not it can be found in a

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#### **PEOPLE**

## Woody and Mia in Court

my time with work and only a limited time with kids." has filed suit against his longtime companion, Mia Farrow, for custody of their three children. Allen, 56, and Farlived together. Farrow, who has been married twice (to Frank Sinstra and André Previn) has 11 children, seven of whom are adopted. All of the children live with her, including the three named by Allen io bis suit. They are Moses Ama-deus Farrow, 14, a Korean boy whom Farrow adopted and Allen subsequently adopted as well; Dylan O'Sullivan Farrow, 7, whom Allen and Farrow adopted together in 1985; and Satchel O'Sulivan Farrow, 4, the couple's natural-born son. Asked whether the suit indicated that the relationship had end-ed, a spokeswoman for Allen, Leslee Dart, said: "The documents speak for themselves. Mr. Allen has never discussed his private life in public and does not wish to begin doing so now." They have a date in court on Aug. 25.

Woody Allen, the filmmaker who

once confersed that "I like to spend

icler of Washington's political ways since the time of Eisenhower, is being removed after nearly 20 years as The New Yorker's Washington correspondent. The magazine's newly appointed editor, Tina Brown, told the 56-year-old Drew at a Washington lunch conversation this week that the changes under way at The New Yorker would include a new regular voice from Washington. Drew will continue her periodic 1992 "Campaign Journais" until the election is over, and then become an irregular contributor to the magazine she joined in 1973, "I've had a wonderful run for 19 years," Drew said in a statement. "Tina wants to change The New Yorker and that of course is her right." Brown described the lunch as "very cordial and very civilized." There was no official word about Drew's replacement. Trained at Congressional Quarter-ly, Drew served as the Atlantic's Washington editor for six years before she succeeded Richard Rovere as author of The New Yorker's "Letter From Washington."

Elizabeth Drew, relentless chron-

Upset by the untimely death of

Queen Beatrix of the Netherlands is trying to drive the beasts from the palace gardens. The queen has ordered her gardeners on regular rabbit-hunting missions at Huis Ten Bosch, the royal residence on the outskirts of The Hague. the row. 47, have been a couple since
1980 but have never married or
queen's border terrier. Miss Pepper, was found dead of asphyxiation after getting caught head-first in a rabbit hole in February.

> James Michener has donated \$15 million to a University of Texas writers' program. School officials said it was the largest endowment of its kind in the nation. "The nature and magnitude of this gift ensure that the Texas Center will have no equal anywhere," said Wil-liam Cunningham, president of UT-Austin. Michener, the 85-year-old author known for such best-sellers as "Hawaii" and "Texas." said his writing "paid me almost exorbi-tantly. The only sensible thing to do for somebody who loves writing as much as I do is to turn it back." Michener teaches at the center he helped create.

> Ross Perot is still the richest person in Texas, with a personal for-tune of \$3,25 billion. "Subtract \$10 million spent on his presidential bid — but he'll earn it back in interest in less than a month," said Texas Monthly magazine, which lists the state's wealthiest people in irs September issue. Perot was well ahead of members of the Bass family of Fort Worth — Perry Bass, and his sons Sid, Edward, Robert oil fortune.

Mayor David Dinkins told gradvates of a job training program in New York that a little hot air can go a long way - especially when you're selling peanuts. Reflecting on the many odd jobs he held as a youngster, Dinkins shared some of the secrets of peanut vendors: "You'd put a few in there and you'd flip it and you'd tighten the bag so the air would puff it up a bit."

Elizabeth Taylor is to join Cirque du Soleil under the big top for an AIDS fund-raiser in Santa Monica, California, on Oct. 9. About 2,500 seats will range in price from ber pet dog down a rabbit hole. \$10,000 to \$50.

#### COLLECTOR'S **GUIDES** IN SATURDAY'S PEN PALS INTERNATIONAL HERALD TRIBUNE TODAY PAGE 6 FRIENDSHIPS EDITH BRIGITTA **FAHRENKROG** SAN YES THE PARTY FROM THREE CHIEF INTERNATIONAL PARTNERSHIP-AGENCY ATTH ABOULUTE PERSONAL ASSISTANCE CINEMETOLRELAL CONDUMNAE CALL ME EVERY PARTICULAR SAL SENI GERMANY, ELRENDA HATRADE A D. ART. FRANKLY RE NU MAIN 1 PM Tri.: (0) 161/263 49 00 THE : 101 69/ 43 19 79, FAX (0) 69/ 43 20 66 PATERNSTIONSLOFFICE

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